



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

**Financial Report for the year ended
31 December 2018**



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Corporate information

ABN

42 006 173 379

Directors

Professor James Angus AO	President and Non-executive Director
Professor Amanda Thrift	Non-executive Director representing interests of Research
Professor Bruce Campbell	Non-executive Director representing interests of Clinicians
Ms Jennifer Muller PSM	Non-executive Director representing interests of Consumers
Ms Karen Vernon	Interim Vice President and Non-executive Director
Ms Sally Bateman	Non-executive Director
Mr Christopher Edwards	Treasurer and Non-executive Director
Mr Andrew Matthews	Non-executive Director representing interests of consumers
Mr James Stanistreet	Appointed Non-executive Director 3 May 2018
Mr Christopher Nunn	Appointed Non-executive Director 3 May 2018
Ms Irene Trethowan	Resigned as Vice President and Non-executive Director 3 May 2018
Ms Janice Thomas	Appointed Non-executive Director 7 August 2018

Company secretary

Mr John Buchanan

Registered office

Level 7, 461 Bourke Street
Melbourne, Victoria, 3000

Auditors

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

Internet

www.strokefoundation.org.au

The National Stroke Foundation is a company limited by guarantee.

Directors' Report

Your Directors present their report for the year ended 31 December 2018.

Directors

The names of the Directors of the Company in office during the year ended 31 December 2018 and until the date of this report are as follows. All Directors, unless otherwise indicated in Corporate Information were in office from the beginning of the financial period until the date of this report.

Names, qualifications, experience and special responsibilities

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

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

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

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

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

Professor Angus holds a Bachelor of Science and Doctor of Philosophy from the University of Sydney, and received 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 Amanda Thrift BSc (Hons), PhD, PGDipBiostat
(Non-executive Director representing the interests of Research and Chair of Research Advisory Committee)

Professor Thrift is Head of Stroke and Ageing Research and Senior Research Fellow at Monash University. 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. In 2017, she was recognised for her work via receipt of the Excellence in Stroke Award, the highest honour awarded by the Stroke Society of Australasia.

Directors' Report (continued)

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

(Non-executive Director representing the interests of Clinicians and Chair of Clinical Council)

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.

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

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

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

Ms Muller is an Adjunct Associate Professor at Queensland University of Technology's School of Public Health & Social Work, and was a member of the QUT Faculty of Health Academic Board from 2009 -2018 and the Vice Chancellor's appointee to the QUT Alumni Board from 2013 -2018. She received the QUT Faculty of Health Outstanding Alumni Award in 2005.

Ms Muller held leadership roles in Queensland Health over 25 years for the state-wide public health programs BreastScreen Queensland and the Cervical and Bowel Cancer Screening Programs including the clinical information systems and state based registers. A key achievement of these programs was providing 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 QUT and a Diploma of Radiography (Diagnostic) from NSW University of Technology, and is the recipient of an Australia Day Achievement Medallion and the Australian Public Service Medal Honours Award that recognised her outstanding public service in the field of cancer screening programs.

Ms Karen Vernon BA (Hons), LLB, GAICD

(Interim Vice President, Non-executive Director and Chair of the Governance and Nominations Committee)

Ms Karen Vernon is a barrister practising in Western Australia. She has a Bachelor of Arts (Honours) (1990) and a Bachelor of Laws (1994) from the University of WA.

Ms Vernon has practiced law for almost 25 years, beginning her career at national law firm Phillips Fox in 1994. She was a partner in a law firm for 6 years before working in London between 2003 and 2004, but returned to Perth when her father suffered a stroke. Upon her return to Perth, Ms Vernon worked as a prosecutor with the Commonwealth DPP prior to commencing practice as a barrister in 2005.

Ms Vernon has held various company director and board positions over the last 15 years, including WA Bar Chambers Ltd, Vincentcare Advisory Board WA, and the Chair of the Homelessness and Mental Health Services Committee of the Society of St Vincent de Paul WA. In 2017 she was elected to local government as a councillor in the Town of Victoria Park, and is also a councillor on the Mindarie Regional Council. In 2018 she was appointed to the State Operations Committee of the Society of St Vincent de Paul WA.

Directors' Report (continued)

Ms Sally Bateman BA RMIT, GAICD
(Non-executive Director)

Ms Sally Bateman is a Senior Executive and Non-Executive Director with extensive experience in multinational publishing companies, online retail and the not for profit sector. She brings demonstrated commercial expertise driving business transformations, and leading culture change and digital innovation.

For more than a decade Sally had significant leadership roles in global publishing companies. Most recently she was Digital & Marketing Director for Asia Pacific for Penguin Random House with responsibility for marketing, brand, digital product, sales, data and platform technology. Prior to that Sally led Penguin Australia's Marketing & Digital division playing a pivotal role in Penguin's digital transition and award-winning consumer marketing initiatives.

In 2018 Sally was appointed Chief Executive Officer of one of Australia's most respected children's charities Make-A-Wish® Australia.

A Graduate of the Australian Institute of Company Directors Course, Sally holds a Bachelor of Arts (Public Relations) from RMIT and is currently completing a Graduate Diploma of Psychology at The University of Melbourne.

Mr Christopher Edwards FCA, CPA, BSc Econ (Hons), GAICD
(Non-executive Director, Treasurer and Chair of Audit, Finance, Investment & Risk Committee)

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

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

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

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

Mr Andrew Matthews FIAA, BCom, MSOD, GAICD
(Non-executive Director, representing the interests of Consumers)

Mr. Andrew Matthews is an executive leader with experience in finance, actuarial and organisational development. Andrew is currently Chief Actuary of Medibank Private Limited with responsibilities for governance, capital management and pricing. He has more than 25 years' experience in financial services in roles including: as a Partner at Ernst & Young, in a range of leadership roles in actuarial practice across IAG and CGU Insurance, National Mutual, Trowbridge Consulting and the Transport Accident Commission.

Mr Matthews passionately believes in connecting the commercial and the humanistic; the contemporary and the indigenous; and the diversity of teams to create an environment for growth. He is a stroke survivor after experiencing a stroke in 2016 and benefitting from the support of The Stroke Foundation.

Mr Matthews holds a BCom from the University of Melbourne, a Master of Science (Organizational Development) from Pepperdine University in California, and Fellow of the Institute of Actuaries Australia. Mr Matthews is a graduate member of the Australian Institute of Company Directors, and holds an accreditation in executive coaching.

Directors' Report (continued)

Mr James Stanistreet MAICD
(Non-executive Director)

With more than four decades of experience in the Australian healthcare sector, Jamie Stanistreet has been an active member of the Australian medical devices industry and is committed to improving access for all patients requiring medical technology in particular, timely access to treatment for stroke.

He recently retired from Medtronic Australia & New Zealand after 19 years' service and 17 years as Managing Director & Vice President.

Prior to this he worked with, AVE, Bard Australia, Bio-Spectrum, Stelmara Biomedical & 3M Australia.

Mr Stanistreet was the Vice Chair of the Board for the Medical Technology Association of Australia, from 2006 to 2013. In 2013, Jamie was awarded the Medical Technology Association of Australia's (MTAA) highest honour - the inaugural Outstanding Individual Achievement Award. He was AmCham (American Chamber of Commerce) Governor from 2010 to 2018. He was a Finalist in the 2014/15 CEO Magazine Executive of the year award. Medtronic Australia's Best Employers in the 2005, 2006/07 and 2008 Hewitt Best Employers Australia and New Zealand Awards, and again in 2010 when the company received a Highly Commended award. He has also been deeply committed to promoting Medtronic as an Employer of Choice for Women by the Australian Government's Equal Opportunity for Women in the Workplace agency since 2006.

Mr Chris Nunn BSc(Econ) Hons, CPA
(Non-executive Director)

Mr Chris Nunn is currently Chief Financial Officer at Redbubble Limited, an ASX listed online marketplace, and is a non-executive director of fund manager, Impact Funds Management Pty Ltd. Chris has held a number of senior finance executive roles for more than 25 years in mostly ASX-listed organisations in investment banking, equities and property funds management, transport and online marketplace businesses.

In addition to the financial responsibilities, Mr Nunn has also held responsibility for risk management, compliance, internal/external audit, client administration, IT and human resources. He also holds a qualification in investment advice with a Graduate Diploma in Investment Management through FinSIA. Mr Nunn has particularly strong hands-on experience in the area of governance mainly in the corporate environment.

Mr Nunn holds a BSc (Econ) with Hons from Loughborough University, UK and trained as a chartered accountant with Coopers & Lybrand (now PWC), migrating to Melbourne in 1986. He is a member of Chartered Accountants Australia & New Zealand and a graduate of the Australian Institute of Company Directors.

Directors' Report (continued)

Ms Janice Thomas MAICD (Non-executive Director)

Janice is an Executive & Board Member with 20+ years' success at the forefront of advancement and engagement strategies in Secondary and Higher Education. She pioneered sustainable funding streams and built new collaborative cross-sector partnerships central to delivering the Teaching, Learning and Research agendas of some of Australia's most iconic institutions.

Founding her career in education in fighting for the continued provision of K-12 schooling in the community of Bendigo, she built a reputation for transformational leadership with a succession of appointments to roles involving ground-up functional establishment and key strategic contributions.

Jan has held senior roles in the secondary school sector, was appointed Inaugural Director of Development at the University of Western Sydney, and was appointed in 2010 as Senior Director, Advancement & Communications in the Faculty of Medicine, Dentistry and Health Sciences at the University of Melbourne. Her current role is Senior Director of Engagement in the same Faculty at the University of Melbourne.

An active not-for-profit and NGO Board Member & Advisor, she holds expertise across the ecosystem of fundraising, marketing, communications, external relations, community, philanthropic and corporate engagement. In addition, she brings transferable skills in government relations, multi-party stakeholder management and governance.

Company Secretary - Mr John Buchanan

Mr John Buchanan is a Fellow of The Institute of Chartered Accountants in Australia and New Zealand, 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 registered under the Australian Charities and Not-For-Profits Commission (ACNC). The Company 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 2018 the collective liability of members was \$550 (2017: \$450).

Operating and financial review

The operating result for the 2018 year was a net surplus of \$210,000 (2017: \$229,000 deficit). The main reason for the surplus was growth in community income and bequests. The Company continues to pursue strategies to diversify its revenue streams.

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;
- To encourage, stimulate and aid research in branches of health and medical science pertaining to stroke;
- 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's mission is to Prevent Stroke, Save Lives and Enhance Recovery. During 2018, the Company commenced implementation of a new five year strategic plan called Strategy 2022 which has five strategic goals:

- Fewer preventable strokes in Australia;
- Ensure all Australians have access to evidence-based stroke treatment;
- Enhance recovery to help Australians live well after stroke;
- Champion research in stroke; and
- Grow our impact and manage our charity effectively and efficiently.

Directors' Report (continued)

To achieve these goals, the organisation is implementing the following strategies:

Fewer preventable strokes in Australia

- Boost the number of people who know their blood pressure and associated stroke risk
- Increase community understanding of atrial fibrillation (AF) and its impact on stroke
- Increase community understanding of personal stroke risk factors

Ensure all Australians have access to evidence-based stroke treatment

- Help more Australians know the F.A.S.T. signs of stroke (Face, Arms, Speech, Time)
- Ensure time critical stroke treatments are nationally accessible and supported by stroke unit care
- Support hospitals to improve adherence to the rehabilitation framework and collaborative goal setting

Enhance recovery to help Australians live well after stroke

- Support hospital staff to improve comprehensive discharge planning for stroke survivors
- Extend stroke resources and support tools to diverse communities
- Improve our engagement with primary health and community sectors

Champion research in stroke

- Advocate for increased stroke research funding
- Increase our funding for and participation in stroke research
- Develop and strengthen our research network partnerships

Grow our impact and manage our charity effectively and efficiently

- Sustainably diversify and grow our funding revenues and increase our profile
- Attract the right people and support them with the systems they need to drive organisational performance
- Strengthen our cultural diversity and build industry, academic and institutional partnerships

In 2018, the National Stroke Foundation delivered the following programs and initiatives:

- FAST (Face, Arms, Speech, Time), a public awareness and community engagement campaign which aims to teach people the signs of stroke.
- StrokeSafe community education that uses trained volunteers to educate people on how to reduce their risk of stroke. New targeted community education programs commenced in Tasmania and Western Australia with the State Government financial support;
- Health Check Program, incorporating the My Health for Life initiative in Queensland and Australia's Biggest Blood Pressure Check campaign, which raises awareness of risk factors for stroke and diabetes in the community through pharmacy, workplace 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 Follow-up, where stroke survivors and their carers are connected with, and supported to access the necessary services, resources and information in order to improve the quality of life post stroke. In 2018 service was extended to Tasmania and ACT with State and Territory financial support.
 - My Stroke Journey (MSJ), which delivers high quality information to stroke survivors, their family members and carers. MSJ is designed to support care planning and the transition from hospital to home. It is complemented by a range of information fact sheets on the impact of stroke. In 2018, the 100,000th copy of MSJ was provided to a patient with stroke. Consultation on the development of a culturally sensitive MSJ for Aboriginal people was completed with QUAKE, a Aboriginal community organisation in QLD.

Directors' Report (continued)

- StrokeLine, a telephone and online helpdesk service operated by trained health professionals who provide information and advice on stroke prevention, treatment and recovery;
 - EnableMe, an online portal that uses adaptive technology to empower stroke survivors, carers and families with the information they need to maximise their recovery and to navigate the journey after stroke;
 - Stroke Connect Support groups – providing support to stroke survivors in the community via volunteer led groups, and
 - Stroke Outcomes Program (StOP) - delivers planned, individualised and coordinated education at a key point in people's stroke journey, when they are highly motivated to act, but lacking in the knowledge and skills needed to effectively reduce their risk of subsequent stroke.
 - Childhood Stroke – this is a new area of work for the Stroke Foundation and the first project will commence in 2019 to develop Australia's first evidenced based resource for families of children with stroke, called "My family's stroke journey". This is the first step in our journey to develop to provide a range of support and education services for families of children with stroke and health professionals working in this area.
- Stroke EXPERT, a program aimed at healthcare professionals, including:
 - Living Clinical Guidelines for Stroke Management project – building on our experience in clinical guideline development and with our digital platform InformMe, we secured a \$1.5m grant from the Medical Research Future Fund (MRFF) to develop Australia first "living guidelines" in partnership with Cochrane Australia. This innovative project will enable clinicians working in stroke care to easily access the latest, evidenced based research and treatment information in one place via mobile devices and desktop computers;
 - National Stroke Acute Standard and the Rehabilitation Framework which aims to improve the quality of acute and rehabilitation health services in Australia by outlining recommended systems, structures, networks, settings and criteria;
 - National Audit – presents data central to the understanding of the current acute and rehabilitation services in Australia, reports on areas for improvement and tracks performance over time against best practice clinical guidelines and standards; In 2018, we commissioned a report to examine trends in access, treatment and care over the past 20 years since the National Audit was established by the Stroke Foundation;
 - StrokeLink – a team-based quality improvement program for hospital staff in Queensland and Tasmania working in stroke which uses audit and Australian Stroke Clinical registry (AuSCR) data to help reduce the gap between evidence and practice; and
 - InformMe – A digital 'one stop shop' platform to provide health professionals working in stroke evidenced based information, clinical guidelines, audit and benchmarking data, quality improvement tools and online education modules to promote best practice stroke care in acute and rehabilitation services.
 - Research – we expanded the Stroke Foundation research program which provides funding and in-kind support for capacity building grants in stroke research including:
 - Four seed grants and two partnership grants were awarded by the Stroke Foundation;
 - Launched the first of two named research grants from a newly established stroke research endowment fund that we set up with two families who both lost their young adult sons to stroke. The Tim Glendinning and Gavin Paul Bennier funds are supporting research into young adult stroke; and
 - Secured Medical Research Future Fund (MRFF) funding and called for application for two Return to Work, Return to Life research grants.
 - Advocacy at federal and state/territory government levels, with the aim of obtaining funding for research and proven interventions which will reduce the economic, societal and health burdens of stroke in Australia. We commenced a project with the Heart Foundation to develop of a Strategic Action Plan for Heart Disease and Stroke, supported by a grant from the Australian Government.

Directors' Report (continued)

This work was supported by:

- Good governance: ensuring financial sustainability and effective risk management processes, engaging and retaining outstanding people, implementing quality processes and systems, and creating quality infrastructure and environments. In 2018, the Company implemented Salesforce to replace its existing customer relationship management system.
- Communications: working with the media, business, governments, health professionals and the general community to establish two-way flows of information to raise awareness about stroke, show how stroke can be prevented and treated, and demonstrate how life can be made better for stroke survivors and their carers, friends and families.

Strategy and operational risk management

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

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

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

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

Significant changes in the state of affairs

During the year, there were no significant changes in the state of affairs of the Company.

Indemnification and insurance of directors and officers

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

The Company has paid insurance premiums of \$6,545 (2017: \$4,820) in respect of Directors and Officers Liability insurance.

Indemnification of auditors

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

Directors' Report (continued)

Directors' meetings

	Meetings of the Directors and Committees					
	Directors' meetings		Audit, Finance Investment & Risk		Governance & Nominations	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Number of meetings held	6		11		4	
Directors:						
Professor James Angus AO ¹	6	6	-	-	4	4
Professor Amanda Thrift	6	5	-	-	-	-
Professor Bruce Campbell	6	6	-	-	-	-
Ms Jennifer Muller	6	6	-	-	-	-
Ms Karen Vernon ²	6	5	3	3	2	2
Ms Sally Bateman	6	5	-	-	3	3
Mr Christopher Edwards ³	6	6	11	10	4	4
Mr Andrew Matthews	6	6	11	11	-	-
Mr James Stanistreet	4	4	-	-	-	-
Mr Christopher Nunn	4	2	5	3	-	-
Ms Janice Thomas	3	3	-	-	-	-
Ms Irene Trethowan ⁴	2	2	-	-	2	2
Independent advisors:						
Mr Peter Fekete	-	-	11	10	-	-
Mr Alan Lahiff	-	-	11	9	-	-

¹ Chairperson of Directors' Meetings² Chairperson of Governance & Nominations Committee from 4 May 2018³ Chairperson of Audit, Finance Investment & Risk⁴ Chairperson of Governance & Nominations Committee to 3 May 2018

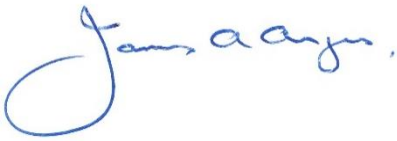
Directors' Report (continued)

Auditor independence

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

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

Signed in accordance with a resolution of the Directors.

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

Professor James Angus AO
President

A handwritten signature in black ink, appearing to read 'Christopher Edwards'.

Mr Christopher Edwards
Treasurer

Melbourne

4 April 2019

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 2018, 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.



RSM AUSTRALIA PARTNERS



R B MIANO
Partner

Dated: 4 April 2019
Melbourne, Victoria

Statement of comprehensive income

For the year ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Revenue from operating activities	5	13,830	11,843
Core activity costs		12,080	11,714
Gross surplus		1,750	129
Administration costs		445	717
Occupancy expenses		460	472
Depreciation and amortisation		872	482
Deficit from operating activities		(27)	(1,542)
Other income	5	871	735
Realised gain/(loss) on investments		275	111
Unrealised gain/(loss) on investments		(902)	468
Loss on disposal of fixed assets		(7)	-
Surplus/(deficit) before income tax expense	5	210	(229)
Income tax expense		-	-
Surplus/(deficit) after income tax expense		210	(229)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-
Total comprehensive income attributable to members of the entity		210	(229)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

As at 31 December 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash & cash equivalents	16(b)	6,647	5,203
Trade and other receivables	6	555	496
Other financial assets	9	11,473	13,363
Total current assets		18,675	19,062
Non-current assets			
Plant & equipment	7	181	234
Intangible assets	8	3,668	2,525
Total non-current assets		3,849	2,759
Total assets		22,524	21,821
Current liabilities			
Trade and other payables	10	756	632
Provisions	11	302	279
Deferred revenue	12	1,095	803
Other liabilities	13	-	33
Total current liabilities		2,153	1,748
Non-current liabilities			
Provisions	11	122	100
Deferred revenue	12	100	-
Other liabilities	13	50	85
Total non-current liabilities		272	184
Total liabilities		2,425	1,933
Net assets		20,099	19,889
Funds			
General Funds	14	5,099	4,889
Reserves	15	15,000	15,000
Total funds		20,099	19,889

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 31 December 2018

	Reserves \$'000	General Funds \$'000	Total \$'000
At 1 January 2017	15,000	5,118	20,118
Deficit for year	-	(229)	(229)
Balance at 31 December 2017	15,000	4,889	19,889
At 1 January 2018	15,000	4,889	19,889
Surplus for year	-	210	210
Balance at 31 December 2018	15,000	5,099	20,099

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts from ordinary activities (inclusive of GST)		14,724	12,448
Payments to suppliers and employees (inclusive of GST)		(13,750)	(13,755)
Interest received		58	77
Net cash inflows/(outflows) from operating activities	16(a)	1,032	(1,230)
Cash flows from investing activities			
Proceeds from sale of investment securities		12,513	8,066
Purchase of investment securities		(11,008)	(6,748)
Purchase of plant and equipment		(18)	(6)
Purchase of intangible assets		(1,950)	(1,033)
Dividends received		538	588
Interest received		337	310
Net cash flows from investing activities		412	1,177
Net increase/(decrease) in cash and cash equivalents		1,444	(52)
Cash and cash equivalents at the beginning of the financial year		5,203	5,255
Cash and cash equivalents at end of period	16(b)	6,647	5,203

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Corporate information

The financial report of the National Stroke Foundation Limited for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 4 April 2019.

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

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

2. Summary of significant accounting policies

Basis of preparation of financial report

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

The financial report is presented in Australian dollars.

(a) Statement of compliance with IFRS

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

(b) New accounting standards and interpretations

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

Reference, Title, Application date of Standard	Application date for Company and Summary	Impact on Company Financial Report
AASB 16 <i>Leases</i> 1 January 2019	Application date for the Company 1 January 2019 The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) in the Statement of Financial Position.	<p>The assessment has indicated that as most operating leases will come on the Statement of Financial Position, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the statement of comprehensive income with marginal impact on the operating surplus.</p> <p>The following estimates have been determined as at 31 December 2019:</p> <ul style="list-style-type: none"> • right-of-use assets \$2.3 million; • lease liabilities \$2.5 million; • interest expense \$12,167; and • depreciation expense \$35,199. <p>The Company will adopt AASB16 using the modified retrospective method.</p>

Notes to the financial statements (continued)

For the year ended 31 December 2018

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 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 expected credit loss.

Collectability of trade receivables is reviewed on an ongoing basis.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(g) Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Summary of significant accounting policies (continued)

(h) Plant and equipment

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

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

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

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

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

(i) Leases

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

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

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

(j) Impairment of assets

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

(k) 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.

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Summary of significant accounting policies (continued)

(k) Intangible assets (continued)

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:

- the development costs can be measured reliably,
- the technical feasibility of the product has been ascertained and
- 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.

Donor acquisition costs

The Company recognises as an asset the incremental costs of obtaining a financial commitment from a donor where the costs are expected to be recovered. The costs incurred are then amortised over the expected life of the commitment based on historical trends using data from previous years' donor acquisition programmes.

(l) Other financial assets

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Summary of significant accounting policies (continued)

(m) 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.

(n) Revenue recognition

Revenue from contracts with customers (i.e. revenue from rendering of services, donations, and bequests) is recognised in accordance with AASB 15, only when the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the Company can identify each party's rights regarding the goods or services to be transferred;
- the Company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, consideration is only given to the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration, is variable because customers may be offered a price concession.

Other revenue sources are measured at the fair value of consideration received or receivable, as follows:

- interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets; and
- dividend revenue is recognised when the Company's right to receive payment of the dividend is established.

All revenue is stated net of the amount of goods and services tax (GST).

(o) 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 2018

2. Summary of significant accounting policies (continued)

(o) 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.

(p) Income tax and other taxes

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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.

(q) 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.

(r) Comparative figures

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

Notes to the financial statements (continued)

For the year ended 31 December 2018

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

i) 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.

ii) Amortisation rate for donor acquisition costs

The Company recognises as an asset the incremental costs of obtaining a financial commitment from a donor where the costs are expected to be recovered. The costs incurred are then amortised over the expected life of the commitment based on historical trends using data from previous years' donor acquisition programmes.

Notes to the financial statements (continued)

For the year ended 31 December 2018

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	2018 \$'000	2017 \$'000
Financial assets			
Cash and cash equivalents	16	6,647	5,203
Trade and other receivables	6	555	496
Other current financial assets	9	11,473	13,363
Total financial assets		18,675	19,062
Financial liabilities			
Trade and other payables	10	756	632
Total financial liabilities		756	632

(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:

	2018		2017	
	Interest rate %	\$'000	Interest rate %	\$'000
Cash at bank	0.00 - 2.50	6,470	0.00 - 2.50	4,940
Deposits at call	2.50 - 3.00	177	2.50 - 3.00	263
Total exposure		6,647		5,203

Notes to the financial statements (continued)

For the year ended 31 December 2018

4. Financial risk management objectives and policies (continued)

(c) Liquidity risk

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

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

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

(d) Credit risk

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

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

(e) Price risk

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

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

	2018		2017	
	Yield estimate	\$'000	Yield estimate	\$'000
ASX listed - Australian securities	0.00 - 7.00	7,929	0.00 - 7.00	10,644
ASX listed - International securities	0.00 - 7.00	3,530	0.00 - 7.00	2,705
Unlisted Australian securities	0.00	14	0.00	14
Total exposure		<u>11,473</u>		<u>13,363</u>

Australian securities are traded on the Australian Securities Exchange.

International securities are traded on the Australian Warrant and Exchange Traded Funds (ETF) Exchange. They are predominantly exposed to U.S, U.K and European currency fluctuations. At balance date, approximately 22% of securities held via the ETF Exchange include an inbuilt currency hedge to protect the Company against currency risk exposure.

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

Notes to the financial statements (continued)

For the year ended 31 December 2018

4. Financial risk management objectives and policies (continued)

(f) Fair value

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

Notes to the financial statements (continued)

For the year ended 31 December 2018

5. Surplus/(deficit) from ordinary activities

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

	2018	2017
	\$'000	\$'000
Operating revenue		
Government	2,449	2,114
Community	8,133	7,024
Bequests received	2,000	1,282
Trusts and foundations	659	734
Corporate	455	556
Interest	58	77
Product merchandising	76	56
Total operating revenue	<u>13,830</u>	<u>11,843</u>
Core activity expenditure		
Programs and Operations	5,681	5,570
Income Development	5,523	4,719
Research	297	754
Advocacy	578	671
Total core activity expenditure	<u>12,080</u>	<u>11,714</u>
Governance and Sustainability	1,777	1,671
Total expenditure	<u>13,856</u>	<u>13,385</u>
Deficit from operating activities	<u>(27)</u>	<u>(1,542)</u>
Other income		
Interest income on interest bearing securities	299	271
Dividend income on equity securities	397	369
Franking credits earned	175	95
Total other income	<u>871</u>	<u>735</u>
Investments under external management	(627)	579
Loss on disposal of fixed assets	(7)	
Total comprehensive income attributable to members of the entity	<u>210</u>	<u>(229)</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.

Notes to the financial statements (continued)

For the year ended 31 December 2018

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

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.

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 initiatives to develop support services for people and families living with stroke to improve lives, treatments and access to stroke units.

Expenditure largely includes promotional costs as well as salary and wages. Profile and reputation development expenditure of \$491,476 (2017: \$575,862) has been reclassified to this category from income development expenditure in 2019 and prior year balances retrospectively restated.

Income development expenditure relates to fundraising activities and includes salary and wages, developmental investment costs for donor acquisition and a bequest program.

Research costs relate to promoting and supporting excellence in stroke related research. 2017 included contributions to the Mobile Stroke Pilot Project of \$454,545.

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

Governance and Sustainability

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

Notes to the financial statements (continued)

For the year ended 31 December 2018

6. Current assets - Trade and other receivables

	2018 \$'000	2017 \$'000
Trade debtors	19	26
Provision for impaired debtors	(12)	-
	<u>7</u>	<u>26</u>
Other receivables:		
Sundry receivables	255	295
GST receivable	117	52
Prepayments	176	124
	<u>548</u>	<u>470</u>
Total trade and other receivables	<u>555</u>	<u>496</u>

Trade receivables are non-interest bearing and are expected to settle within 30-60 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

	Total	0-30 days	31-60 days	61-90 days	+ 91 days
2018	19	7	-	-	11
2017	26	2	-	-	24

7. Non-current assets - Plant and equipment

	2018 \$'000	2017 \$'000
Plant and equipment		
At cost	826	822
Accumulated depreciation	(645)	(588)
Net carrying amount	<u>181</u>	<u>234</u>

Reconciliation of carrying amounts at beginning and end of period

Plant and equipment		
At 1 January net of accumulated depreciation	234	336
Additions	18	6
Disposals	(5)	-
Depreciation expense	(66)	(107)
Total written down amount	<u>181</u>	<u>234</u>

Notes to the financial statements (continued)

For the year ended 31 December 2018

8. Non-current assets - Intangible assets

	Licences	Development costs	Donor Acquisition Costs	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
At 1 January 2017	51	1,833	-	1,884
External additions	-	-	1,063	1,063
Internally developed additions	-	180	-	180
At 31 December 2017	51	2,013	1,063	3,127
External additions	-	-	1,850	1,850
Internally developed additions	-	99	-	99
Disposals	(7)	-	-	(7)
Year end 2018	44	2,112	2,913	5,069
Amortisation				
At 1 January 2017	15	212	-	227
Amortisation for the year	10	302	63	375
At 31 December 2017	25	514	63	602
Amortisation for the year 2018	10	336	459	805
Disposals	(6)	-	-	(6)
At 31 December 2018	29	850	522	1,401
Net carrying amount				
At 31 December 2017	26	1,499	1,000	2,525
At 31 December 2018	16	1,262	2,390	3,668

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

9. Financial assets

	2018	2017
	\$'000	\$'000
Investments at fair value through profit and loss:		
Quoted equity shares	11,459	13,349
Unquoted equity shares	14	14
Total investments at fair value	11,473	13,363

Quoted equity shares represent securities traded on the Australian Securities Exchange, the Australian Warrant and Exchange Traded Funds (ETF) Exchange and international markets via an international equity fund. At balance date, approximately 22% of securities held via the ETF Exchange and in international markets include an inbuilt currency hedge to protect the Company against currency risk exposure.

Notes to the financial statements (continued)

For the year ended 31 December 2018

10. Current liabilities - Trade and other payables

	2018	2017
	\$'000	\$'000
Trade payables	383	377
Other payables	373	255
Total	756	632

11. Provisions

	2018	2017
	\$'000	\$'000
Current provisions	302	279
Non-current provisions	122	100
Total	424	379

12. Deferred revenue

	2018	2017
	\$'000	\$'000
Current deferred revenue	1,095	803
Non-current deferred revenue	100	-
Total	1,195	803

13. Other liabilities

	2018	2017
	\$'000	\$'000
Current other liabilities	-	33
Non-current other liabilities	50	85
Total	50	118

Notes to the financial statements (continued)

For the year ended 31 December 2018

14. General funds

	2018 \$'000	2017 \$'000
General funds at beginning of the financial year	4,889	5,118
Net surplus/(deficit)	210	(229)
Transfer to Contingency Fund Reserve	-	
General funds at end of the financial year	<u>5,099</u>	<u>4,889</u>

15. Reserves

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

Reconciliation of Contingency fund reserve

	2018 \$'000	2017 \$'000
Balance at the beginning of the year	15,000	15,000
Transfer from general funds	-	
Balance at the end of the year	<u>15,000</u>	<u>15,000</u>

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Cash flow statement reconciliation

	2018	2017
	\$	\$
(a) Reconciliation of net cash provided by operating activities to operating surplus		
Net surplus	210	(229)
Adjustments for:		
Depreciation of non-current assets	66	107
Amortisation of intangible assets	805	375
Increase/(decrease) in fair value of quoted shares	629	(579)
Shares received in bequests	(241)	-
Cash dividends included in the calculation of net surplus	(871)	(735)
AASB15 retrospective impact on deferred income	-	196
Loss on disposal of assets	7	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(64)	204
(Decrease)/increase in current trade and other payables	123	(47)
(Decrease)/increase in provisions	45	(33)
(Decrease)/increase in deferred income	391	(457)
(Decrease)/increase in other liabilities	(68)	(33)
Net cash provided by operating activities	<u>1,032</u>	<u>(1,230)</u>

(b) Cash and cash equivalents at balance date

	2018	2017
	\$	\$
Cash at bank and on hand	6,470	4,940
Deposits at call	177	263
Closing cash balance	<u>6,647</u>	<u>5,203</u>

17. Commitments and contingencies

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

	2018	2017
	\$'000	\$'000
Operating leases		
Within one year	567	564
After one year but not more than five years	1,767	1,932
Total minimum lease payments	<u>2,334</u>	<u>2,496</u>

The Company had no capital commitments, contingent assets or contingent liabilities at the reporting date (2017: nil).

Notes to the financial statements (continued)

For the year ended 31 December 2018

18. Auditor's remuneration

	2018 \$'000	2017 \$'000
Amounts received or due and receivable by RSM Australia Partners for: Audit of the financial report	29	20

19. Related party disclosure

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

Related party	2018 \$'000	2017 \$'000
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))	452	258
Next Telecom Pty Ltd - telecommunication services provided (a company significantly influenced by Mr Ryan O'Hare, resigned 8 December 2016)		26

20. Key management personnel compensation

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

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

	2018 \$'000	2017 \$'000
Short-term benefits	672	806
Post-employment benefits	62	74
Termination benefits	-	17
Total	734	897

21. Significant events after balance 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 2018.

Notes to the financial statements (continued)

For the year ended 31 December 2018

22. Controlled entities

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

	Country of Incorporation	Ownership interest	
		2018	2017
Stroke Care Australia	Australia	100%	100%

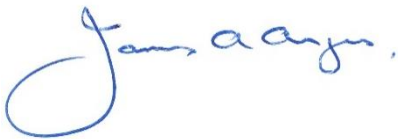
Directors' declaration

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 blue ink that reads "James Angus, AO". The signature is written in a cursive style with a large initial 'J'.

Professor James Angus AO
President
Melbourne

4 April 2019

INDEPENDENT AUDITOR'S REPORT To the Members of National Stroke Foundation

Opinion

We have audited the financial report of National Stroke Foundation, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

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

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



R B MIANO
Partner

Dated: 8 April 2019
Melbourne, Victoria