Diabetes Australia Ltd and its Controlled Entities

ABN 47 008 528 461

Annual Report - 30 June 2023

Diabetes Australia Ltd and its Controlled Entities
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Diabetes Australia Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Names	Position	Appointed/Resigned
M Stanford	Independent President and Board Chair	Appointed 06/04/2020
C Beyers	Board member	Appointed 16/11/2015
Z Burgess	Board member	Appointed 20/11/2021
B Fenton	Board member	Appointed 21/05/2018
A Koumoukelis	Board member	Appointed 21/04/2020
G Ross	Board member	Appointed 04/11/2016
L Manaena	Board member	Appointed 17/05/2021
G Bunyan	Board member	Appointed 15/06/2021
K Arndt	Board member	Appointed 01/06/2022
M Senior	Board member	Resigned 06/08/2022
A Rutherford	Board member	Appointed 01/09/2023

Information on directors

M Stanford	
Qualifications	- Company Director - MBBS (NSW), MBA (Macquarie Uni) - FAICD, Member of the Order of Australia
Experience	- Independent President and Board Chair (appointed 06/04/2020)
Special Responsibilities	- Independent President and Board Chair - Ex Officio Member of all Board Committees - Member of the Finance, Audit and Risk Management Committee (resigned 01/07/2023) - Member of the NDSS Governance Committee - Member of the People & Culture Committee (became Chair November 2022)
C Beyers	
Qualifications	- Bachelor of Engineering in Environmental Engineering - Master of Business Administration - Grad Cert Bus (Philanthropy and Nonprofit) - Graduate of the AICD Company Directors Course
Experience	- Board member (appointed 16/11/2015, elected 20/11/2021)
Special Responsibilities	- Chair of Diabetes Queensland (resigned 30/06/2022) - Member of the People and Culture Committee - Chair of the Finance, Audit and Risk Management Committee - Chair of Investment Committee (sub-Committee of Finance, Audit and Risk Management) from inception 21/09/2022
Z Burgess	
Qualifications	- PhD (Organisational Psychology) - MBA - Master Education - AICD Fellow - Non-Executive Director
Experience	- Board member (appointed/elected 20/11/2021)
Special Responsibilities	- Member of the Finance, Audit and Risk Management Committee

B Fenton	
Qualifications	- Manager - Bachelor Nursing, Grad Cert Diabetes Education
Experience	- Board member (appointed 21/05/2018)
Special Responsibilities	- Chair of the NDSS Governance Committee
A Koumoukelis	
Qualifications	- Solicitor - LLM (Syd), LLB (UNSW). B Comm (UNSW). Public Notary, GAICD, FTIA, Grad Dip (Wills and Estates)
Experience	- Board member (appointed 21/04/2020, elected 20/11/2021)
Special Responsibilities	- Chair of Diabetes NSW&ACT (resigned 30/06/2022) - Member of the NDSS Governance Committee - Director and Chair of Diabetes Qualified Pty Limited (appointed 02/05/2016)
G Ross	
Qualifications	- Endocrinologist - MBBS(Hons), FRACP
Experience	- Board member (appointed 04/11/2016)
Special Responsibilities	- Member of the People and Culture Committee
L Manaena	
Qualifications	- Leadership Coach and Facilitator - MBus (Marketing), Dip Financial Services
Experience	- Board member (appointed 17/05/2021)
Special Responsibilities	- Member and Chair of the People and Culture Committee (appointed 01/06/2022 until leave of absence commenced on 14/11/2022)
G Bunyan	
Qualifications	- Company Director - BA, LLB
Experience	- Board member (appointed 15/06/2021, elected 26/11/2022)
Special Responsibilities	- Director of Kellion Diabetes Foundation - Director of Diabetes Australia Research Limited - Member of People & Culture Committee (appointed 01/06/2022)
K Arndt	
Qualifications	- Company Director - BBus(HRM), Grad Dip (Bus) MAICD
Experience	- Board member (appointed 01/06/2022) - Director Diabetes Victoria (appointed 2007)
Special Responsibilities	- Member of Finance, Audit and Risk Management Committee (appointed 05/06/2023)
M Senior	
Qualifications	- Master of Public Policy - Master of Media Practice - Non-Executive Director
Experience	- Board member (appointed 21/10/2021, elected 20/11/2021, resigned 006/08/2022)
Special Responsibilities	- Member of NDSS Governance Committee (resigned 06/08/2022)

A Rutherford

Qualifications	- Bachelor of Commerce - Master of Business Administration - Graduate Diploma of Applied Finance and Investment - Certified Practising Accountant - Diploma in Financial Planning - Graduate Diploma of Applied Corporate Governance - Graduate of the AICD Company Directors Course
Experience	- Board member (appointed 01/09/2023)
Special Responsibilities	- Chair of the Finance, Audit and Risk Management Committee (from 11/10/2023)

NOTE: The Board approved for an update to the committee structure at the Board meeting on 20 May 2023. From 1 July 2023, the Finance, Audit and Risk Management Committee was replaced by the Finance, Audit and Investment Committee. The NDSS Governance Committee was replaced by a Risk, Quality and Compliance Committee. There were updates to the membership of those Committees effective 1 July 2023.

Group Chief Executive Officer (appointed November 2021)
Justine Cain
BSc (Psychology), LLB *ANU*. MAICD

Justine commenced in the newly created role of Group Chief Executive Officer in November 2021. Ms Cain has held senior executive and Board roles with listed, privately owned, private equity backed and not-for-profit organisations in the health, human services and general insurance sectors. Justine is currently on the Boards of UnitingCare Queensland, the Australian Diabetes Society, the Australian Diabetes Educators Association, LeapIn! and the Kellion Foundation Ltd. Justine's expertise spans transformational leadership roles, strategy development and execution, customer-centric leadership, largescale operational delivery, government relations, advocacy and complex stakeholder management. Justine has a strong understanding of the broad health, human services and aged care sectors and is committed to achieving equity in access to health services, population health improvement and judicious use of funding. Justine holds a Bachelor of Laws and a Bachelor of Science from the Australian National University.

Company Secretary (appointed 6 February 2023)
Hanna Myllyoja
BA., LLB Grad.Dip.Legal Practice, Solicitor New South Wales.

Hanna Myllyoja is an experienced lawyer and company secretary, with a varied legal and governance career spanning more than 30 years, having worked in private legal practice, ASX listed and commercial environments and also in the NFP sector.

Hanna joined Diabetes Australia in early 2023 as General Counsel and Company Secretary for Diabetes Australia and its controlled entities.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Directors meetings	
	Eligible to attend	Attended
M Stanford	7	7
K Arndt	7	5
C Beyers	7	7
G Bunyan*	7	7
Z Burgess	7	5
B Fenton	7	6
A Koumoukelis	7	7
L Manaena**	2	2
G Ross	7	6
A Rutherford***	-	-
M Senior****	1	-

* absent for substantial part of 1 meeting
** leave of absence was granted from 14 November 2022 to 30 June 2023
*** appointed 1 September 2023
**** resigned 6 August 2022

Purpose
We are dedicated to reducing the incidence and impact of diabetes on people, health systems and society.
Our long-term vision is a world free from diabetes.

Strategy for achieving the purpose
During the 2022-23 financial year, Diabetes Australia launched its new Diabetes Australia Group Strategic Plan 2023-2027. Development of the new Strategic Plan followed the unification in 2021-22 of Diabetes Australia, Diabetes NSW & ACT, Diabetes Queensland, Diabetes Tasmania – along with health professional partner organisations, the Australian Diabetes Educators Association and the Australian Diabetes Society – to become a bigger, bolder and stronger organisation.

The Strategic Plan outlines ambitious goals to:
- prevent people from developing type 2 diabetes;
- support people with diabetes to live long and live well;
- reduce the impact of diabetes on people living with or at risk of diabetes, on health systems, and on society; and
- find a cure for all types of diabetes.

The Strategic Plan establishes a strong change agenda. To change the now – to help people with diabetes to live their best lives with better access to support and treatments. And to change the future – for the millions of Australians and future generations who will develop diabetes if we don't act.

Principal activities
Diabetes Australia is the national organisation supporting all people living with or at risk of diabetes.

Diabetes Australia works in partnership with people living with or at risk of diabetes, their families and carers, health professionals, researchers, funders, other diabetes organisations and the community to positively change people's lives.

Diabetes Australia's core focus areas are:
- Being a thought leader, amplifying the voices of the diabetes community and championing the diabetes cause to drive change.
- Advocating and delivering on priorities that have the biggest impact on changing people's lives and the health system.
- Collaborating locally, nationally and internationally; connecting lived experience with health professionals and research.
- Developing and delivering trusted diabetes services, locally and nationally.
- Leading the agenda, growing funding for and commissioning research.

Principal activities (Continued)

Diabetes Australia works to bring about change, by providing a national voice and leadership, while maintaining strong local community connections and engagement.

Contributions on winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee.

On winding up members undertake to contribute up for $50 for persons who became a member prior to 28 January 2021,and $10 for persons who become members after that date.

Operating results

The Diabetes Australia Group consolidated result for the year was an operating deficit of $1,639,287 (2021-22: deficit of $4,876,455). The deficit was due to:

- planned additional research grant expenditure from the Coghlan bequest, noting that the funding was received in the 2020-21 financial year; and
- integration and transformation costs with Diabetes Australia Group unifying.

Events after the reporting date

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected or may significantly affect the entity's operations.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

Insurance premiums have been paid to indemnify directors and officers of the Company and for Professional Indemnity Insurance.

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Stanford	Andrew Rutherford
Director and Independent President	Chair of Finance, Audit and Investment Committee

14 October 2023

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DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF DIABETES AUSTRALIA LIMITED

As lead auditor of Diabetes Australia Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Diabetes Australia Limited and the entities it controlled during the period.

Russell

Leah Russell
Director

BDO Audit Pty Ltd

Sydney

14 October 2023

General information

The financial statements cover Diabetes Australia Ltd as a consolidated entity consisting of Diabetes Australia Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Diabetes Australia Ltd's functional and presentation currency.

Diabetes Australia Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

19-23 Moore Street
Turner ACT 2612

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 October 2023. The directors have the power to amend and reissue the financial statements.

Diabetes Australia Ltd and its Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Revenue and other income	3	79,697,892	74,911,340
Other income	4	2,493,242	3,472,915
Expenses			
Employee benefits expense	5	(32,178,986)	(31,158,792)
Depreciation and amortisation expense	5	(1,476,594)	(1,610,092)
Agents' remuneration	5	(17,170,127)	(14,707,343)
Research grants	5	(3,146,250)	(3,839,704)
Other expenses	5	(29,839,617)	(31,918,549)
Finance costs	5	(18,847)	(26,230)
Deficit before income tax expense		(1,639,287)	(4,876,455)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Diabetes Australia Ltd	19	(1,639,287)	(4,876,455)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Diabetes Australia Ltd		(1,639,287)	(4,876,455)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Diabetes Australia Ltd and its Controlled Entities
Consolidated statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	26,949,843	31,185,273
Trade and other receivables	7	4,162,016	6,032,695
Inventories		135,277	84,499
Other financial assets - Term deposits		7,947,329	-
Assets classified as held for sale	8	520,521	-
Other assets - Prepayments		911,839	891,198
Total current assets		40,626,825	38,193,665
Non-current assets			
Financial assets at fair value through profit or loss	9	18,051,050	15,808,788
Property, plant and equipment	10	23,344,543	21,014,076
Right-of-use assets	11	410,073	484,559
Intangibles	12	-	184,823
Total non-current assets		41,805,666	37,492,246
Total assets		82,432,491	75,685,911
Liabilities			
Current liabilities			
Trade and other payables	13	8,659,683	7,543,821
Employee benefits	14	2,917,511	3,093,996
Membership fees received in advance	15	793,644	1,097,455
Grant and contract liabilities	16	13,272,390	8,715,854
Lease liabilities	17	386,487	298,674
Total current liabilities		26,029,715	20,749,800
Non-current liabilities			
Employee benefits	14	367,432	468,506
Lease liabilities	17	50,694	221,752
Total non-current liabilities		418,126	690,258
Total liabilities		26,447,841	21,440,058
Net assets		55,984,650	54,245,853
Equity			
Issued capital		100	100
Reserves	18	3,535,584	157,500
Retained surpluses	19	52,448,966	54,088,253
Total equity		55,984,650	54,245,853

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

Diabetes Australia Ltd and its Controlled Entities
Consolidated statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Asset revaluation reserve $	Contribution reserve $	Retained surpluses $	Total equity $
Balance at 1 July 2021	100	-	-	55,961,374	55,961,474
Deficit after income tax expense for the year	-	-	-	(4,876,455)	(4,876,455)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(4,876,455)	(4,876,455)
Transactions with members in their capacity as members:					
Fair value of net assets acquired through unification	-	-	3,003,334	-	3,003,334
Transfer from reserves to retained earnings	-	-	(3,003,334)	3,003,334	-
Revaluation of assets	-	157,500	-	-	157,500
Balance at 30 June 2022	100	157,500	-	54,088,253	54,245,853

Consolidated	Issued capital $	Asset revaluation reserve $	Contribution reserve $	Retained surpluses $	Total equity $
Balance at 1 July 2022	100	157,500	-	54,088,253	54,245,853
Deficit after income tax expense for the year	-	-	-	(1,639,287)	(1,639,287)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,639,287)	(1,639,287)
Revaluation during the year (note 10)	-	3,378,084	-	-	3,378,084
Balance at 30 June 2023	100	3,535,584	-	52,448,966	55,984,650

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

Diabetes Australia Ltd and its Controlled Entities
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from grants		69,419,743	67,282,916
Receipts from NDSS-Co payment		4,831,477	4,923,237
Receipts from NDSS registrant contribution		36,444,370	27,669,264
Receipts from NDSS Access point handling fees		7,061,410	6,599,479
Interest received		654,488	11,353
Net payment to the government for NDSS		-	(3,935,093)
Other receipts		15,362,392	14,658,357
Payments to suppliers and employees		(81,338,076)	(78,281,619)
Payment for NDSS registration contribution		(41,832,649)	(32,469,993)
Payment for NDSS Access point handling fees		(7,061,214)	(6,598,896)
GST received/(paid)		1,061,391	(2,556,340)
Interest paid		(18,736)	(34,032)
Net cash from/(used in) operating activities		4,584,596	(2,731,367)
Cash flows from investing activities			
Payments for investments		(7,873,096)	1,635,632
Dividends received		445,301	-
Payments for property, plant and equipment	10	(546,627)	(440,153)
Payments for intangibles		-	(418,005)
Cash received through unification of subsidiary	28	-	1,335,695
Reclass from cash to investments through unification		-	924,058
Proceeds from disposal of equipment		24,546	-
Net cash (used in)/from investing activities		(7,949,876)	3,037,227
Cash flows from financing activities			
Payment of finance lease liabilities		(421,993)	(418,765)
Net cash used in financing activities		(421,993)	(418,765)
Net decrease in cash and cash equivalents		(3,787,273)	(112,905)
Cash and cash equivalents at the beginning of the financial year		31,185,273	30,575,266
Reclassification from investments to cash		-	722,912
Reclassification from cash to investments		(448,157)	-
Cash and cash equivalents at the end of the financial year	6	26,949,843	31,185,273

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The consolidated entity has adopted AASB 1060 from 1 July 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Charitable Fundraising Act 1991 (NSW) and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Diabetes Australia Ltd ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Diabetes Australia Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax
As the consolidated entity 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.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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 consolidated entity'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 consolidated entity'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.

Deferred tax assets and liabilities are always classified as non-current.

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 amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 1. Significant accounting policies (continued)

Impairment of financial assets
The consolidated entity 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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision
As discussed in note 14, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue and other income

	Consolidated	
	2023	**2022**
	$	**$**
Revenue		
Federal government grants - NDSS	46,825,461	45,996,303
Federal government grants - Other	253,988	477,290
State Govt grants - My Health for Life	9,523,198	8,566,829
State Govt grants - Get Healthy Service	1,964,023	-
State Govt grants - Other	2,971,448	3,269,518
Life for a Child	5,185,949	6,041,674
Other grants	130,412	208,375
	66,854,479	64,559,989
Other revenue		
Diabetes Australia member organisation fees	120,872	127,240
Interest received	705,293	11,353
Commercial partnerships	1,850,874	1,740,576
Other commercial income	1,596,350	810,271
Fundraising	6,043,585	4,902,069
Membership income	1,666,223	1,954,731
Sale of goods	860,216	805,111
	12,843,413	10,351,351
Revenue and other income	79,697,892	74,911,340

Note 3. Revenue and other income (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	**2022**
	$	**$**
Revenue from contracts with customers - AASB 15		
Life for a Child	339,449	-
Diabetes Australia member organisation fees	120,872	127,240
Interest received	705,293	11,353
Commercial partnerships	56,516	-
Other commercial income	1,596,351	810,271
Membership income	1,520,721	1,954,731
Sale of goods	860,216	805,111
	5,199,418	3,708,706
Revenue recognised under AASB1058 Income NFP entities		
Federal government grants - NDSS	46,825,461	45,996,303
Federal government grants - Other	253,988	477,290
State Govt grants - My Health for Life	9,523,198	8,566,829
State Govt grants - Get Healthy Service	1,964,023	-
State Govt grants - Other	2,971,448	3,269,518
Life for a Child	4,846,500	6,041,674
Other grants	130,412	208,375
Commercial partnerships	1,749,358	1,740,576
Members	145,502	-
Fundraising	6,043,585	4,902,069
	74,453,475	71,202,634
	79,697,892	74,911,340

Accounting policy for revenue and other income recognition
The consolidated entity when assessing revenue and other income applies AASB 1058 Income of Not-for-Profit Entities. AASB 1058 requires the consolidated entity to assess which standard is to apply. The main standards being; AASB 9 Financial instruments, AASB 15 Revenue or AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 Income of Not-for-Profit Entities is recognised on receipt. This is generally applicable for fundraising income.

Revenue from contracts

a) Contracts that contain clauses that meet the definition of AASB 9 Financial Instruments
Contracts that meet the definition of Financial Instruments such as where they contain termination for convenience clauses is recognised as the consolidated entity spends, or has provided the services depending on the terms on the contract.

b) Revenue from contracts with customers – AASB 15 Revenue
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 3. Revenue and other income (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue from contracts with customers recognition is detailed below:

i) Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

ii) Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

iii) Grants
Grant revenue is recognised in profit or loss when the consolidated entity satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the consolidated entity is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

iv) Commercial partnerships
Commercial partnerships are recognised when the contract outcome can be reliably measured, control of the right to be compensated for the service has been attained and the stage of completion can be reliably measured.

v) Diabetes Australia Member Organisation/Parent contribution fees
Revenue from Diabetes Australia Member Organisation/Parent Contribution fees are recognised upon the due date in accordance with the Parent's constitution.

vi) Fundraising
Fundraising income is recognised on receipt, unless there are specific performance obligations identified, in which case they are accounted for consistent with Revenue from contracts with customers.

Note 4. Other income

	Consolidated	
	2023	**2022**
	$	**$**
Net foreign exchange gain	51,452	170,745
Subsidies and grants	-	1,358,689
Dividend income	445,301	552,246
Rental income	773,251	821,663
Unrealised gain on investments	1,217,001	-
Other income	6,237	569,572
Other income	2,493,242	3,472,915

Bequest income
Bequests and donations are recognised on receipts basis.

Rental income
Rental income arising from operating leases are accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income.

Note 4. Other income (continued)

Dividend income
The consolidated entity recognises dividends and distributions in profit or loss only when the consolidated entity's right to receive payment is established.

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the 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.

Investment gains and losses
The changes in the fair value of investments including any gains or losses on the disposal of investments are recognised in profit and loss.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 5. Expenses

	Consolidated	
	2023	**2022**
	$	**$**
Deficit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Plant and equipment	946,737	964,120
Right-of-use assets	413,126	431,300
Intangibles	116,732	214,672
	1,476,595	1,610,092
Finance costs		
Interest and finance charges paid/payable on lease liabilities	18,847	26,230
Superannuation expense		
Defined benefit superannuation expense	2,802,585	2,569,491
Employee benefits expense excluding superannuation	29,376,401	28,589,301
Research costs	3,146,250	3,839,704
Agents' remuneration	17,170,127	14,707,343
Other expenses		
Funded program suppliers and contractors	16,425,933	18,276,497
Administrative and general expenses	6,008,505	4,981,756
Publications & promotions	4,922,801	5,021,813
IT support and licenses	2,150,874	1,326,626
Cost of goods sold	331,505	322,957
Unrealised loss on investments	-	1,988,899
	29,839,618	31,918,548

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 5. Expenses (continued)

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Agents' remuneration-National Diabetes Services Scheme (NDSS)
The National Diabetes Services Scheme (NDSS) is an initiative of the Australia Government administered by Diabetes Australia and delivered to people with diabetes through state and territory diabetes organisations, as NDSS Agents. The scheme is supported by two Health Professional Agents which are the key national organisations dedicated to diabetes in Australia.

The NDSS Agent remuneration is provided to support the delivery of NDSS National Programs and Services. The National Programs and Services are nationally consistent services provided to Registrants that maximise their capacity to manage their diabetes, this includes mechanisms that expand consumer engagement and self-management including access to Registration cards and Starter Packs, telephone support, online support, information and resources, education and other activities such as education of health professionals. The Health Professional Bodies provide a broad range of advice and assistance to assist Diabetes Australia and the Commonwealth deliver the NDSS services

Note 6. Cash and cash equivalents

	Consolidated	
	2023	**2022**
	$	**$**
Current assets		
Cash in hand	3,085	4,269
Cash at bank	25,024,849	26,164,468
Cash at investment fund	1,172,089	1,124,406
Term deposit	749,820	3,892,130
	26,949,843	31,185,273

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	Consolidated	
	2023	**2022**
	$	**$**
Current assets		
Trade receivables	2,237,605	3,761,178
Other receivables	1,025,282	567,807
GST receivable	899,129	1,703,710
	1,924,411	2,271,517
	4,162,016	6,032,695

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 7. Trade and other receivables (continued)

The consolidated entity 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.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 8. Assets classified as held for sale

	Consolidated	
	2023 $	2022 $
Current assets		
Land and buildings	520,521	-

During the financial year, the consolidated entity transferred property of $520,521 to assets held for sale as it is expected this property will be sold in the next 12 months.

Accounting policy for assets classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable. An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 9. Financial assets at fair value through profit or loss

	Consolidated	
	2023 $	2022 $
Non-current assets		
Managed investment portfolio	18,051,050	15,808,788

Accounting policy for 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.

Note 10. Property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Land and buildings - at cost	22,000,000	20,772,697
Less: Accumulated depreciation	-	(1,165,920)
	22,000,000	19,606,777
Fixtures, fittings and furniture - at cost	3,022,139	2,616,847
Less: Accumulated depreciation	(2,138,756)	(1,803,073)
	883,383	813,774
Motor vehicles - at cost	47,388	137,474
Less: Accumulated depreciation	(34,368)	(81,974)
	13,020	55,500
Computer equipment - at cost	3,360,154	2,892,206
Less: Accumulated depreciation	(2,916,745)	(2,464,752)
	443,409	427,454
Office equipment - at cost	234,873	201,557
Less: Accumulated depreciation	(230,142)	(192,716)
	4,731	8,841
Capital works in progress	-	101,730
	23,344,543	21,014,076

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and buildings $	Fixtures, fittings and furniture $	Motor vehicles $	Computer equipment $	Office equipment $	Capital works in progress $	Total $
Balance at 1 July 2022	19,606,777	813,774	55,500	427,454	8,841	101,730	21,014,076
Additions	-	314,781	-	236,526	1,748	(6,428)	546,627
Disposals/write off	-	-	(31,684)	-	-	(95,302)	(126,986)
Revaluations during the year	3,378,084	-	-	-	-	-	3,378,084
Classified as held for sale	(520,521)	-	-	-	-	-	(520,521)
Transfers in/(out)	-	(28,415)	-	26,550	1,865	-	-
Depreciation expense	(464,340)	(216,757)	(10,796)	(247,121)	(7,723)	-	(946,737)
Balance at 30 June 2023	22,000,000	883,383	13,020	443,409	4,731	-	23,344,543

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 10. Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	2 - 5 years
Computer equipment	2 - 5 years / remaining term of the contract
Fixture, fittings and furniture	3 - 10 years
Motor vehicles	18.75%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 11. Right-of-use assets

	Consolidated	
	2023	2022
	$	$
Non-current assets		
Right-of-use assets	1,693,990	1,399,652
Less: Accumulated amortisation	(1,283,917)	(915,093)
	410,073	484,559

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Right-of-use assets
Consolidated	**$**
Balance at 1 July 2022	484,559
Additions	338,640
Depreciation expense	(413,126)
Balance at 30 June 2023	410,073

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 12. Intangibles

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
NDSS development software - at cost	-	2,152,020
Less: Accumulated amortisation	-	(2,152,020)
	-	-
Other software - at cost	307,737	1,193,637
Less: Accumulated amortisation	(307,737)	(1,008,814)
	-	184,823
	-	184,823

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Other software $
Balance at 1 July 2022	184,823
Additions	-
Disposals/write off	(68,091)
Amortisation expense	(116,732)
Balance at 30 June 2023	-

Accounting policy for intangible assets
Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets have been assessed as finite. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(i) NDSS Developed software
Software developed by a third party on the consolidated entity's behalf and is operational as intended. Developed software costs are carried as cost less accumulated amortisation and accumulated impairment losses. The intangible NDSS assets have been assessed as having a finite life and were amortised using the straight line method for the remaining life of the NDSS contract, which expired on the 30 June 2016. Parent Company owns the remaining intangible assets. This software has now been replaced in the financial year June 2023.

(ii) Other software
Other software relates to websites and software not related to the NDSS. Other Software costs are carried as cost less accumulated amortisation and accumulated impairment losses.

Note 13. Trade and other payables

	Consolidated	
	2023	2022
	$	$
Current liabilities		
Trade payables	4,108,869	3,004,849
Accrued Expenses	3,603,948	2,927,824
GST payable	687,995	576,268
Other payables	258,871	1,034,880
	8,659,683	7,543,821

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Employee benefits

	Consolidated	
	2023	2022
	$	$
Current liabilities		
Annual leave	2,159,331	2,227,886
Long service leave	740,734	866,110
Payroll Provision	17,446	-
	2,917,511	3,093,996
Non-current liabilities		
Long service leave	367,432	468,506

Accounting policy for provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 15. Membership fees received in advance

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Membership fees received in advance	793,644	1,097,455

Note 16. Grant and contract liabilities

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Federal Govt grant - NDSS	3,266,644	1,789,815
State Govt grants - Get Healthy Service	1,979,152	-
State Govt grants - My Health for Life	331,649	758,329
Life for a Child	6,343,723	4,415,403
Other grants	384,977	411,583
	12,306,145	7,375,130
Corporate Partnership	565,265	818,218
Other deferred income	400,980	522,506
	966,245	1,340,724
	13,272,390	8,715,854

Accounting policy for contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

If conditions are attached to the grant which must be satisfied before the consolidated entity is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Note 17. Lease liabilities

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Lease liability	386,487	298,674
Non-current liabilities		
Lease liability	50,694	221,752
Future lease payments		
Future lease payments are due as follows:		
Within one year	366,726	272,796
One to five years	33,751	542,074
More than five years	-	-
	400,477	814,870

Note 17. Lease liabilities (continued)

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 18. Reserves

	Consolidated	
	2023 $	2022 $
Revaluation surplus reserve	3,535,584	157,500

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 19. Retained surpluses

	Consolidated	
	2023 $	2022 $
Retained surpluses at the beginning of the financial year	54,088,253	58,964,708
Deficit after income tax expense for the year	(1,639,287)	(4,876,455)
Retained surpluses at the end of the financial year	52,448,966	54,088,253

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	Consolidated	
	2023 $	2022 $
Audit services - BDO Audit Pty Ltd		
Audit of the financial statements	200,000	171,500

Note 21. Key management personnel disclosures

The following persons had the authority and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly during the year:

Note 21. Key management personnel disclosures (continued)

Executive	Position
Justine Cain	Group Chief Executive Officer
Rowan Clifford	CEO NSW & ACT, appointed on 7 November 2022
Sturt Eastwood	CEO NSW & ACT and QLD, Executive Director Growth, resigned on 8 September 2022
Paul Southcott	Chief Finance Officer & Corporate Services, resigned on 11 December 2022
Matt Easdown	Chief Financial Officer, appointed on 27 March 2023
Caroline Wells	CEO Tasmania, Director Health Advisory & Research
Jan Ridd	Executive General Manager, NDSS
Taryn Black	Chief Strategy Officer
Karen Adamedes	Chief Performance and Transformation Officer
Kristy Dwyer	Chief People Officer
Jessica McKinnon	Company Secretary, resigned on 7 February 2023
Hanna Myllyoja	Company Secretary, appointed on 30 January 2023
Susanne A Hawes	CEO Queensland, appointed on 7 July 2022
Bob Kotic	Interim CFO, appointed on 28 October 2022, resigned on 14 March 2023

The expenses recognised for Directors and key management personnel compensation paid during the year:

	Consolidated	
	2023 $	2022 $
Short - term employee benefits	3,123,025	1,920,771
Post - employment benefits	261,925	154,875
Total compensation	3,384,950	2,075,646

Remuneration for Key Management personnel in 2023 is the full year effect of Executives appointed in 2022 to enhance governance as a result of unification and integration.

Note 22. Contingent assets

The consolidated entity had no contingent assets as at 30 June 2023 and 30 June 2022.

Note 23. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2023.

Note 24. Commitments

	Consolidated 2023 $	2022 $
Capital commitments at the reporting date but not recognised as liabilities, payable:		
Within one year	366,400	-
One to five years	33,600	-
	400,000	-
General research grants		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,733,064	1,683,875
One to five years	112,496	74,826
More than five years	-	149,652
	1,845,560	1,908,353
Other research grants		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	295,000	398,500
One to five years	200,000	233,500
	495,000	632,000

Research grant commitments
As part of the national research program administered through Diabetes Australia Research Trust, two types of grants are awarded. General research grant payments are made on a half yearly basis for one year; Millennium grant payments are made on a half yearly basis for two years.

Agent's remuneration
The consolidated entity has agreements with agents where there are commitments for $12,737,806 (2022: $17,567,580).

Note 25. Related party transactions

Parent entity
Diabetes Australia Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Other related parties
The Members and some subsidiaries of Diabetes Australia Ltd are sub-contracted under the National Diabetes Services Scheme as Agents and two Health Professionals and are paid to provide services to people with diabetes. These payments are included in, described and quantified at note 5.

Transactions with related parties
Diabetes Australia Limited as parent company, manages and provides administrative support for Diabetes Australia Research Limited which acts as trustee for the Diabetes Australia Research Trust. In the financial year ending 30 June 2023, Diabetes Australia Limited made a $60,000 donation to Diabetes Australia Research Limited. The trust activities include the provision of grants to support research in prevention, management and cure of diabetes.

Other related entities made a $395,000 donation to Diabetes Australia Research Limited during the financial year 30 June 2023.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 25. Related party transactions (continued)

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	**2022**
	$	**$**
Deficit after income tax	(1,671,607)	(1,084,028)
Total comprehensive income	(1,671,607)	(1,084,028)

Statement of financial position

	Parent	
	2023	**2022**
	$	**$**
Total current assets	14,824,144	11,348,776
Total non-current assets	1,371,102	660,826
Total assets	16,195,246	12,009,602
Total current liabilities	14,678,505	8,980,899
Total non-current liabilities	159,645	-
Total liabilities	14,838,150	8,980,899
Equity		
Issued capital	100	100
Retained surpluses	1,356,996	3,028,603
Total equity	1,357,096	3,028,703

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Commitments
The parent entity has agreements with agents where there are commitments for $25,982,725 (2022: $34,763,275).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Diabetes Australia Research Limited	Australia	100%	100%
Diabetes Australia Research Trust	Australia	100%	100%
Diabetes NSW&ACT	Australia	100%	100%
Diabetes Australia - Tasmania	Australia	100%	100%
Diabetes Qualified Pty Ltd	Australia	100%	100%
Gilicious Management Pty Ltd	Australia	100%	100%
Diabetes Association of Queensland Limited	Australia	100%	100%

Note 28. Unification

Unification Diabetes Tasmania

On 27 July 2021, Diabetes Tasmania members voted overwhelmingly in favor of merging with Diabetes Australia and ceased to be a member organisation and became a controlled subsidiary of Diabetes Australia.

The details of the fair value of the net assets acquired are as follows:

	$
Cash and cash equivalents	1,335,695
Trade and other receivables	21,693
Investments	2,648,074
Prepayments	19,528
Property, plant and equipment	75,870
Right to use assets	180,121
Trade and other payables	(152,640)
Provisions	(417,771)
Contract liabilities	(524,382)
Lease liabilities	(182,854)
Fair value of net assets acquired	**3,003,334**

For the eleven months period ended 30 June 2022, Diabetes Tasmania contributed a loss of $329,162 to the consolidated entity's results. If the acquisition had occurred on 1 July 2021, management estimates that consolidated revenue would increase by $15,593. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have the same if the acquisition has occurred on 1 July 2021.

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Diabetes Australia Ltd and its Controlled Entities
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW) and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- internal controls are appropriate and effective in accounting for income received and applied from any fundraising appeal.

Signed in accordance with a resolution of directors made pursuant to section 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022.*

On behalf of the directors

Michael Stanford	Andrew Rutherford
Director and Independent President	Chair of Finance, Audit and Investment Committee

14 October 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Diabetes Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Diabetes Australia Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Diabetes Australia Limited, is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards- Simplified Disclosure 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 Group in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Diabetes Australia Limited's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards- Simplified Disclosure and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Group'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 the responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

L Russell

Leah Russell
Director

Sydney, 18 October 2023