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CORPORATE INFORMATION

Directors

M Stanford
C Beyers
Z Burgess (appointed 20/11/2021)
B Fenton
A Koumoukelis
G Noonan (resigned 01/06/2022)
G Ross
L Manaena
G Bunyan
M Senior (appointed 21/10/21, resigned 06/08/2022)
K Arndt (appointed 01/06/2022)

Company secretary

P Southcott (resigned 21/05/2022)
J McKinnon (appointed 21/05/2022)

Registered office

19-23 Moore Street
Turner ACT 2612

Principal place of business

19-23 Moore Street
Turner ACT 2612

Bankers

Commonwealth Bank of Australia
National Australia Bank Limited
Westpac Banking Corporation

Auditors

RSM (resigned 18/07/2022)
BDO (appointed 18/07/2022)

ABN

47 008 528 461

Directors Report 30 June 2022

The Directors present this report on the Group for the financial year ended 30 June 2022.

Directors

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

M Stanford

Qualifications	<ul style="list-style-type: none">- Company Director- MBBS (NSW), MBA (Macquarie Uni)- FAICD, Member of the Order of Australia
Experience	<ul style="list-style-type: none">- Independent President and Board Chair (appointed 06/04/2020)
Special Responsibilities	<ul style="list-style-type: none">- Independent President and Board Chair- Ex Officio Member of all Board Committees- Member of the Finance, Audit & Risk Committee- Member of the NDSS Governance Committee

K Arndt

Qualifications	<ul style="list-style-type: none">- Company Director- BBus(HRM), Grad Dip (Bus) MAICD
Experience	<ul style="list-style-type: none">- Board member (appointed 01/06/2022)- Director Diabetes Victoria (appointed 2007)

C Beyers

Qualifications	<ul style="list-style-type: none">- Engineer- GAICD, Bachelor of Environ. Engineering- Grad Cert Bus (Philanthropy and Nonprofit)
Experience	<ul style="list-style-type: none">- Board member (appointed 16/11/2015)
Special Responsibilities	<ul style="list-style-type: none">- Chair of Diabetes Queensland (resigned 30/06/2022)- Chair of the People and Culture Committee (resigned 31/05/2022)- Chair of the Finance, Audit and Risk Management (appointed 01/06/2022),

Directors Report 30 June 2022 (cont'd)

G Bunyan

Qualifications	- Company Director - BA, LLB
Experience	- Board member (appointed 15/06/2021)
Special Responsibilities	- Director of Kellion Diabetes Foundation - Director of Diabetes Australia Research Limited - Member of People & Culture Committee (appointed 01/06/2022)

Z Burgess

Qualifications	- PhD (Organisational Psychology) - MBA - Master Education - AICD Fellow - Non-Executive Director
Experience	- Board member (appointed 20/11/2021)
Special Responsibilities	- Member of the Finance, Audit & Risk 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
Experience	- Board member (appointed 21/11/2020)
Special Responsibilities	- Chair of Diabetes NSW&ACT (resigned 30/06/2022) - Member of the NDSS Governance Committee

Directors Report 30 June 2022 (cont'd)

G Noonan

Qualifications	- Bachelor of Science (Computer Science & Accounting) - Member of the Institute of Chartered Accountants
Experience	- Board member (appointed 29/01/2019, resigned 31/05/2022)
Special Responsibilities	- Chair of the Finance, Audit and Risk Management Committee (resigned 31/05/2022) - Member of the People and Culture Committee (resigned 31/05/2022)

G Ross

Qualifications	- Endocrinologist - MBBS(Hons), FRACP
Experience	- Board member (appointed 4/11/2016)
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 of the People and Culture Committee and Chair (appointed 01/06/2022)

M Senior

Qualifications	- Master of Public Policy - Master of Media Practice - Non-Executive Director
Experience	- Board member (appointed 21/10/2021, resigned 06/08/2022)
Special Responsibilities	- Member of NDSS Governance Committee

Directors Report 30 June 2022 (cont'd)

Chief Executive Officer (resigned November 2021)

Greg Johnson

B. Pharm; Dip Hosp Pharm; Grad Dip Health Services Management; MBA; GAICD
Honorary Professor – Deakin University

Greg served as Chief Executive from October 2012 until November 2021. Prior to that he was Acting Chief Executive from July 2009 to 2011 and Chief Executive of Diabetes Victoria from 2003 to 2012.

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 more than two decades of senior leadership experience within the health and human services sectors. Her experience includes executive management roles in Operations and Strategy for one of Australia's largest health insurers, Director of Integration with a national assistive technology company within the Aged Care and Disability Sectors, as well as significant experience leading large scale national health services. Ms Cain is also a current Director of Uniting Care Queensland, Leap In!, Diabetes Qualified, Australian Diabetes Educator's Association Limited and the Australian Diabetes Society Limited.

Company Secretary

Paul Southcott (resigned 21 May 2022)

BEC Flin, CPA

Paul Southcott has extensive experience in senior management roles in the private and public sector in financial management, strategic planning, office administration and governance. He held the role of Company Secretary from 30 November 2008 to 21 May 2022 and continues in his role as Chief Financial Officer.

Jessica McKinnon (appointed 21 May 2022)

BA, LLB(Hons) UQ. GCertBA GDipAppCorpGov FGIA, FCG, Solicitor (Qld).

Jessica McKinnon has been a practicing solicitor for over twenty years, with experience in legal and governance roles for large Australian organisations including Macquarie University, TPG Telecom, RACQ and Buderim Ginger. She was appointed Company Secretary on 21 May 2022.

Directors Report 30 June 2022 (cont'd)

Dividends

Diabetes Australia Limited is a company limited by guarantee and does not pay dividends.

Constitution and Members' Guarantee

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

At 30 June 2022, the number of members was 52,082.

Strategy and Purpose

Diabetes Australia is dedicated to reducing the impact of diabetes on people, health system and society. People living with diabetes, and those at risk, are at the heart of everything we do. We work to bring about change, by providing a national voice and leadership, while maintaining strong local community connections and engagement.

During the 2021-22 financial year, Diabetes Australia took significant steps to create a larger, more influential national organisation, to better advocate for affordable diabetes care, new technologies, more research, and enhanced diabetes services from all levels of government.

Diabetes Australia developed an interim Strategic plan, to reflect the new unified organisation and the organisation's ambitions to affect positive change for people with diabetes and those at risk. The development of the plan involved significant stakeholder and community consultation and various planning and strategy sessions for directors and senior management. The Strategy will involve further testing with stakeholders in 2022-23 financial year and form the basis of Diabetes Australia's new five year strategic plan.

Diabetes Australia Strategic Plan 2022

Vision – To create a world free from diabetes

Mission – We work with people living with or at risk of diabetes, health providers, researchers, funders and the community for positive change and outcomes.

Goals

- Prevent diabetes
- Live well with diabetes
- Reduce health & financial impacts
- Find a cure

Strategic Priorities:

- **Champion** – we champion the diabetes cause, lead the fight against diabetes and amplify the voice of people with or at risk of diabetes.
- **Connect** – we collaborate locally, nationally and internationally; connecting people with lived experience of diabetes, health providers, the latest research and evidence.
- **Care** – we are the trusted diabetes services provider; developing and delivering diabetes support, coordinated care and prevention services, locally and nationally.
- **Cure** – we lead the agenda, grow funding for and commission research to build evidence, data and outcomes to prevent, treat and cure diabetes.

Directors Report 30 June 2022 (cont'd)

Principal activities

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

Diabetes Australia's core focus areas are:

- people with diabetes - this includes people with type 1 diabetes, people with type 2 diabetes, women with gestational diabetes, people with other forms of diabetes; and families and carers; and
- people at risk of developing diabetes.

Some of the key activities and achievements in the 2021-22 financial year include:

- **COVID -19 pandemic response** – The impact of COVID -19 continued to be felt by people with diabetes and their families across Australia, and the staff and operations of Diabetes Australia. We continued to focus our efforts on supporting people with diabetes and their families, despite continued lock downs and restrictions on service delivery and face to face activities.
- **NDSS Agreement** – Diabetes Australia worked collaboratively and cohesively with the Department of Health and Aged Care, to effectively transition in the new agreement executed in June 2021 for the period 2021-24, with \$140.5m funding over three years. The scheme, which is the only one of its kind in the world, provides subsidised access to essential diabetes management products as well as vital self-management information, education and support to more than 1.5 million Australians and health professionals. Diabetes Australia has delivered the NDSS to millions of Australians for 30 years with strong bipartisan support from successive Australian governments.
- **New National Diabetes Strategy** – The Australian Government launched a new National Diabetes Strategy 2021-30 which is an enhanced national strategy with significant opportunity for the coming decade. Diabetes Australia was significantly involved in the development of this new strategy.

In 2021-22, Diabetes Australia developed a new Diabetes Australia strategic plan, built around four key pillars – Champion, Connect, Care, Cure

- **Strong voice, advocacy and campaigning** – we continued our national campaigning giving voice to people with diabetes and their concerns.

Campaigns - Our campaigns and external facing communications, including social and traditional media, reached a cumulative audience of more than 60 million. This includes a media audience of in excess of 35 million and a social media audience in excess of 8 million. Our website was visited more than 4 million times. Highlights included:

- *Heads Up on Diabetes* – National Diabetes Week campaign highlighting links between diabetes and mental and emotional health reached an audience of 32 million.
- *The Low Down* – campaign raising awareness of the impact of hypoglycaemia on people living with type 1 diabetes reached 3.9 million people.

Directors Report 30 June 2022 (cont'd)

- *If I Had Known* – campaign tackling key barriers to managing type 2 diabetes for people who are recently diagnosed reached 12.1 million.

Advocacy - We continued efforts to advocate for people with diabetes through government relations and policy development. Highlights included:

- **Federal Election 2022** – In the lead up to the 2022 Federal Election Diabetes Australia launched and advocated for its Federal Election Platform. The organisation engaged with Coalition and Labor MPs in the leadup to the election with the key short-term goal of broadening access to subsidised Continuous Glucose Monitoring (CGM). In response to our advocacy efforts, there was bi-partisan support to commit \$273.1 million in government funding, providing an additional 70,000 Australians living with type 1 diabetes affordable access to CGM. This was a significant win for Australia's diabetes community.
- **Position statements** - We published two major position statements.
 - Type 2 remission* – This position statement provides up-to-date, practical advice and information to people with diabetes and the community about possible remission of type 2 diabetes. It is not intended to be a scientific or fully detailed report for health professionals.
 - Our Language Matters* – An update of Diabetes Australia's world leading position statement on language, it aims to improve the language people use to talk about diabetes and improve clinical outcomes.
- **Community engagement and connection** - Our connection to, and engagement with, the diabetes community remained strong in 2021-22 financial year across a range of online and face-to-face activities. This included sending 1.6 million eNewsletters and in excess of 11million other digital communications to provide advice and promote participation in programs and services. Our online community forums provided a supportive environment for the roughly 10,000 members who engaged frequently throughout the year on this platform.
- **National and local service delivery** - Throughout the year we continued to deliver national and local information, support and programs despite ongoing COVID-19 disruption.
 - **National Diabetes Services Scheme (NDSS)** – Through the NDSS Helpline we responded to 316,804 inbound contacts (phone and email) and 17,707 inbound health professional calls. 942 virtually facilitated and 1,857 face-to-face diabetes self-management information sessions and structured education programs were delivered, attracting a positive attendance of 133,666. We continued to focus on priority groups including children/adolescents/young people with diabetes, women with diabetes in pregnancy, Aboriginal and Torres Strait Islander people with diabetes, older people with

Directors Report 30 June 2022 (cont'd)

diabetes, people with diabetes from culturally and linguistically diverse communities, rural and remote communities, and mental health and diabetes.

- **National Programs**

We continued to implement national high profile, high impact programs. During the 2021-22 financial year:

KeepSight had 87,000 people with diabetes newly enrolled and around 60% of optometry practices in Australia are participating in KeepSight.

Diabetes in Schools training completions reached more than 100,000 across the three levels of training since the program began. There were over 57,000 training completions in the 2021-22 financial year representing almost 110% growth in total training completions since the program was launched in January 2020. The program is delivering real impact with change in practice and more lunch time insulin administration at schools being enabled.

Subsidised access to continuous (CGM) and flash glucose monitoring (Flash GM) technology, with eligibility recently expanded to include all 131,489 people with type 1 diabetes.

- **State-based programs**

Throughout 2021-22 financial year we delivered a range of programs and services locally, including:

My Health for Life – a free, healthy lifestyle program for Queenslanders who are at high risk of chronic disease, including heart disease, stroke and type 2 diabetes. The program helps eligible participants plan and action small lifestyle changes that have long term health benefits.

The COACH Program – delivered in Tasmania, is a free telephone coaching service for people at risk of or diagnosed with type 2 diabetes. It provides people with the opportunity to work with a coach (health professional) to understand, manage and improve their health in particular around the risk factors associated with diabetes and its complications.

DiaBuddies – supports children living with type 1 diabetes and their parents and carers to feel connected, confident and part of a community through fun events, informative educational sessions and connections with other families on the journey with a child living with type 1 diabetes.

A broad range of education and information events, workshops and programs.

- **Programs to support Aboriginal and Torres Strait Islander health and diabetes**

We continued to take significant steps forward in creating culturally safe programs, services and resources. This year we commissioned a national consultation with Aboriginal and Torres Strait Islander peoples living with diabetes, families and communities as well as the health workforce to inform how we create nationally consistent programs that meet the needs of Australia's first peoples. We continue to build and maintain partnerships with key Aboriginal and Torres Strait Islander stakeholders across Australia to ensure we contribute to improving health outcomes.

- **Supporting Research**

Building on our partnership work with the Juvenile Diabetes Research Foundation (JDRF) and Heart Foundation to see the Targeted Translational Research Accelerator program established, we were pleased to see 10 million funding awarded on 14 January 2022 for the Australian Centre for Accelerating Diabetes Innovation (ACADI). Diabetes Australia supported the ACADI application and

Directors Report 30 June 2022 (cont'd)

is providing in-kind support of \$70,000 per year through the involvement of key staff and access to DA datasets and resources.

Diabetes Australia's highly regarded research program continued to support world leading Australian diabetes research and researchers with 55 new diabetes research projects awarded funding in 2021-22 financial year (\$3.8 million in total).

- **Publications**

Diabetes Australia has two quarterly publications. Circle magazine is for people living with diabetes and their carers and has a circulation of over 105,000. It provides readers with the latest information on how to live well with diabetes, plus advice and tips on nutrition, research, health, lifestyle issues and community events. The Diabetes Management Journal is for health professionals and circulated on average to 40,000 Health Professionals across Australia.

Operating results

The Diabetes Australia Group consolidated result for the year was an operating deficit of \$4,876,455 (2020-21: surplus of \$8,427,277). 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
- reduced fundraising income
- integration costs with Diabetes Australia Group unifying; and
- the investment portfolio performance was significantly below budget due to global deterioration in share prices with companies' expectations reducing as a result of increasing interest rates

Diabetes Tasmania became a controlled subsidiary in late July 2021 and the Diabetes Australia Group Financial Statement includes their financial results for the eleven months to June 2022. The Diabetes Australia Group has a number of related party transactions which are eliminated as part of the Group consolidation process.

Significant changes in the state of affairs

The Diabetes Australia Group continues towards integration, establishing effective and efficient governance structures and processes.

Effective 30 June 2022, the Boards of the three State wholly owned subsidiaries, Diabetes NSW Ltd (trading as Diabetes NSW&ACT), Diabetic Association of Queensland (trading as Diabetes Qld) and Diabetes Australia – Tasmania (collectively 'State Subsidiaries') elected a common Board of Directors with Diabetes Australia Limited.

Diabetes Australia Limited as sole member of each of the State Subsidiaries also approved changes to the constitutions of each State Subsidiary aligning them with the Constitution of Diabetes Australia Limited as the ultimate holding company.

After balance date events

Meghan Senior resigned as a Director (6 August 2022).

Directors Report 30 June 2022 (cont'd)

Environmental regulations and performance

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

Director	Directors' Meetings	
	Eligible Meetings	Number Attended
M Stanford	7	7
K Arndt	1	1
C Beyers	7	7
G Bunyan	7	6
Z Burgess	4	4
B Fenton	7	7
A Koumoukelis	7	6
L Manaena	7	4
G Noonan	6	6
G Ross	7	6
M Senior	3	1

Share options

Diabetes Australia Limited is a Company limited by guarantee and does not grant share options.

Directors' meetings

During the 2021-22 financial year, 7 meetings of directors were held. Attendance by each director were as follows:

Finance, Audit, and Risk Management Committee

The Board is responsible for the finance, audit and risk management of the Group. The Board has a Finance, Audit and Risk Management (FARM) Committee which advises the Board on a range of matters.

Other Committees

Other standing committees of the Board are the:

- NDSS Governance Committee
- People and Culture Committee

The NDSS Governance Committee provides advice, assistance and assurance to the Board on governance and oversight responsibilities in respect of the NDSS Agreements and arrangements.

The People and Culture (previously Nomination and Remuneration) Committee advises and recommends to the Board candidates for key roles, including Directors, Committees, Group CEO and their remuneration and terms and conditions of employment. It also assists the Group CEO and Board in providing leadership in relation to organisational culture.

Directors Report 30 June 2022 (cont'd)

Indemnifying officers

During or since the end of the 2021-22 financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- i. 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 willful breach of duty in relation to the company.

Signed in accordance with a resolution of the Board of Directors.



Michael Stanford,
Director and Independent President



Craig Beyers,
Director & Chair of FARM Committee

Dated 27th day of October 2022.

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 2022, 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-profit 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 year.



Leah Russell
Director

BDO Audit Pty Ltd
Sydney NSW 2000
27 October 2022

Diabetes Australia Limited and its controlled entities
General Information
For the year ended 30 June 2022

The financial statements cover Diabetes Australia Limited (the "Company" or "parent entity") and its controlled entities ("the Group"). The financial statements are presented in Australian dollars, which is Diabetes Australia Limited functional and presentation currency.

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

Registered office

19-23 Moore Street
Turner ACT 2612

Principal place of business

19-23 Moore Street
Turner ACT 2612

A description of the nature of the consolidated company'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 21 October 2022. The Directors have the power to amend and reissue the financial statements.

Diabetes Australia Limited and its controlled entities
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Revenue and other income			
Revenue	2	73,853,850	66,793,647
Other income	2	4,530,405	1,559,817
Expenses			
Employee benefits expense	3a	(31,158,792)	(10,055,225)
Depreciation and amortisation	3b	(1,610,092)	(485,259)
Agents' remuneration	3c	(14,707,344)	(25,975,783)
Other expenses	3d	(31,918,548)	(19,897,016)
Research grants	3e	(3,839,704)	(3,488,053)
Finance costs		<u>(26,230)</u>	<u>(24,851)</u>
(Deficit)/surplus before income tax expense		(4,876,455)	8,427,277
Income tax expense		<u>-</u>	<u>:</u>
(Deficit)/surplus after income tax expense for the year attributable to the members of Diabetes Australia Limited		<u>(4,876,455)</u>	<u>8,427,277</u>
 Total comprehensive income for the year attributable to the members of Diabetes Australia Limited		 <u>(4,876,455)</u>	 <u>8,427,277</u>

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

Diabetes Australia Limited and its controlled entities
Consolidated Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	31,185,273	30,575,266
Trade and other receivables	5	6,032,695	5,239,419
Inventories	6	84,499	106,066
Other assets	7	891,198	1,039,051
Other financial assets	8	-	3,058,597
Total current assets		<u>38,193,665</u>	<u>40,118,399</u>
Non-current assets			
Trade and other receivables	5	-	2,920,385
Financial assets at fair value through profit or loss	9	15,808,788	14,819,483
Property, plant and equipment	10	21,014,076	21,311,328
Intangible assets	11	184,823	325,648
Right of use assets		<u>484,559</u>	<u>725,487</u>
Total non-current assets		<u>37,492,246</u>	<u>40,102,331</u>
Total assets		<u>75,685,911</u>	<u>80,120,730</u>
Liabilities			
Current liabilities			
Trade and other payables	12	7,543,821	9,252,901
Provisions	13	3,093,996	2,526,089
Membership fees received in advance	14	1,097,455	1,009,220
Contract liabilities	15	6,926,039	6,133,544
Lease liabilities	16	298,674	288,617
Unspent NDSS Government grants	17	<u>1,789,815</u>	<u>3,966,866</u>
Total current liabilities		<u>20,749,800</u>	<u>23,177,237</u>
Non-current liabilities			
Provisions	13	468,506	514,299
Lease liabilities	16	<u>221,752</u>	<u>467,720</u>
Total non-current liabilities		<u>690,258</u>	<u>982,019</u>
Total liabilities		<u>21,440,058</u>	<u>24,159,256</u>
Net assets		<u>54,245,853</u>	<u>55,961,474</u>
Equity			
Settlement capital		100	100
Asset revaluation reserve		157,500	-
Retained earnings		<u>54,088,253</u>	<u>55,961,374</u>
Total equity		<u>54,245,853</u>	<u>55,961,474</u>

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

Diabetes Australia Limited and its controlled entities
Consolidated Statement of changes in equity
For the year ended 30 June 2022

	Issued capital \$	Asset revaluation reserve \$	Contribution reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	100	-	-	6,474,833	6,474,933
Surplus after income tax expense for the year	-	-	-	8,427,277	8,427,277
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	8,427,277	8,427,277
Fair value of net assets acquired through unification (Note 31)	-	-	41,059,264	-	41,059,264
Transfer from reserve to Retained earnings	-	-	(41,059,264)	41,059,264	-
Balance at 30 June 2021	100	-	-	55,961,374	55,961,474

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

Diabetes Australia Limited and its controlled entities
Statement of changes in equity
For the year ended 30 June 2022

	Issued capital \$	Asset revaluation reserve \$	Contribution reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	100	-	-	55,961,374	55,961,474
Surplus 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)
Fair value of net assets acquired through unification (Note 31)	-	-	3,003,334	-	3,003,334
Transfer from reserve 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

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

Diabetes Australia Limited and its controlled entities
Consolidated Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from grants		48,145,749	42,675,799
Registrant Contribution		32,592,501	33,049,997
Access Points Handling Fee		6,599,479	7,143,299
Other receipts		33,795,524	25,845,164
Net payment to the government for NDSS		(3,935,093)	-
Payments to NDSS Agents		(17,978,681)	(28,573,361)
Payments to Access Points for Handling Fee		(6,598,896)	(7,143,972)
Registrant Contribution paid to Government		(32,469,993)	(31,923,291)
Payments to suppliers and employees		(60,302,938)	(37,445,235)
Interest received		11,353	35,129
GST Paid		(2,556,340)	(2,356,652)
Interest paid		(1,802)	(24,851)
Net cash (used in)/provided by operating activities	18	(2,699,137)	1,282,026
Cash flows from investing activities			
Payments for property, plant and equipment		(440,153)	(169,473)
Payments for intangibles		(418,005)	(57,618)
Payment for investments		(1,500,000)	-
Proceeds received from investments		-	1,674,921
Cash received through unification of subsidiaries (Note 31)		1,335,695	19,633,714
Reclass from cash to investments through unification		924,058	-
Proceeds from term deposits		3,135,632	(3,058,597)
Net cash from investing activities		3,037,227	18,022,947
Cash flows from financing activities			
Payments for lease liabilities		(450,995)	(233,177)
Net cash used in financing activities		(450,995)	(233,177)
Net (decrease)/increase in cash and cash equivalents		(112,905)	19,071,796
Reclassification from investments to cash		722,912	-
Cash and cash equivalents at the beginning of the financial year		30,575,266	11,503,470
Cash and cash equivalents at the end of the financial year	4	31,185,273	30,575,266

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

The consolidated financial statements are for Diabetes Australia Limited (the “Company”) and its controlled entities (the “Group”) for the year ended 30 June 2022.

Diabetes Australia Limited is a not-for-profit public company, limited by guarantee, incorporated and domiciled in Australia.

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Group 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.

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 company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the 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.

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 company's accounting policies.

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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes, except if detailed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group 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 group 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.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Diabetes Australia Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended. Diabetes Australia Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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.

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.

Impairment of financial assets

The Group 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 Group'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.

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Revenue

	Note	2022	2021
		\$	\$
<i>Revenue</i>			
Federal Government grants (Department of Health and Aged Care) NDSS (Note 18)		45,996,303	48,725,527
Federal Government grants – Other		1,874,979	235,266
Other grants		208,376	23,080
My Health for Life Services		8,566,829	1,512,251
State Government projects		1,791,306	131,347
Life for a Child		6,041,673	1,038,986
		<u>64,479,466</u>	<u>51,666,457</u>
<i>Other revenue</i>			
Diabetes Australia Member Organisation/Parent Contribution fees		127,240	320,172
Interest revenue		11,353	35,129
Membership fees		1,954,731	205,206
Sale of goods		679,642	78,375
Commercial partnerships		1,740,576	948,471
Fundraising (i)		4,860,842	13,539,837
		<u>9,374,384</u>	<u>15,127,190</u>
Total revenue and other income		<u>73,853,850</u>	<u>66,793,647</u>
<i>Other income</i>			
Dividend income		552,246	147,329
Government subsidies		852,680	508,500
Foreign exchange gain		170,745	16,941
Rental income		821,663	113,640
Unrealised gain on investments		-	471,212
Other income		2,133,071	302,195
Total other income		<u>4,530,405</u>	<u>1,559,817</u>
Total revenue and other income		<u>78,384,255</u>	<u>68,353,464</u>

All the revenue above is from Australia, this includes grants and projects, fundraising and commercial partnerships.

(i) Fundraising

In the 2020-21 financial year, the Company received \$8.76 million from the Estate of Charles Campbell Coghlan OAM. By agreement the funds were provided to Diabetes Victoria, and under which they were required to provide Diabetes Australia one third of the funds per year. Diabetes Victoria made two installments in the 2020-21 and 2021-22 financial years, with the remaining payment due in the 2022-23 financial year. The instalment until paid is included in other receivables.

Note 2. Revenue (cont'd)

Recognition and Measurement

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

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.

Grants

Grant revenue is recognised in profit or loss when the Group satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Group 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.

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.

Other income

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.

Dividend income

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

Interest

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.

Note 2. Revenue (con't)

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.

Volunteer services

The Group has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Judgement and estimates

Contracts with customers may involve judgement and estimates as they relate to the determination of performance obligations, the allocation of the transaction price, assessment of whether the revenue is to be recognised at a point in time or over-time, with an associated estimate of percentage of completion

Note 3. Expenses

	2022 \$	2021 \$
a. Employee benefits expense		
Wages and salaries	28,129,996	8,770,389
Superannuation expense	2,580,430	757,039
Other employee benefits expense	448,366	527,797
	<u>31,158,792</u>	<u>10,055,225</u>
b. Depreciation and amortisation		
Depreciation of fixtures, fittings and furniture	204,348	45,067
Depreciation of computer equipment	281,030	73,310
Depreciation of office equipment	14,106	11,976
Depreciation of motor vehicles	2,650	-
Depreciation of right-of-use asset	431,300	254,407
Depreciation of buildings	461,986	58,855
Amortisation of other software	<u>214,672</u>	<u>41,644</u>
	<u>1,610,092</u>	<u>485,259</u>
c. Agents' remuneration	<u>14,707,344</u>	<u>25,975,783</u>

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.

Recognition and Measurement

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.

Included in cash and cash equivalents is \$62,882 held by the Commonwealth Bank as security for a guarantee provided by them to Victory Homes Pty Ltd for the lease of premises at 19-23 Moore Street Turner ACT. This guarantee is for Diabetes Australia Limited obligations for rental bond under its new tenancy agreement for the registered office.

Included in cash and cash equivalents is \$22,304 held by the Commonwealth Bank as security for a guarantee provided by them to De Pasquale Bros Pty Ltd for the lease of premises at Level 5, 11 Finchley Street, Milton, QLD. This guarantee is for Diabetes Australia Limited obligations for rental bond.

Note 5. Current assets - trade and other receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	3,761,178	4,495,448
GST receivable	1,703,710	522,210
Other receivables	<u>567,807</u>	<u>221,761</u>
	<u>6,032,695</u>	<u>5,239,419</u>
NON-CURRENT		
Trade receivables	<u>-</u>	<u>2,920,385</u>
	<u>6,032,695</u>	<u>8,159,804</u>
Total current trade and other receivables	6,032,695	5,239,419
Less: GST receivable	<u>(1,703,710)</u>	<u>(522,210)</u>
Financial assets as trade and other receivables	<u>4,328,985</u>	<u>4,717,209</u>

Recognition and Measurement

Trade receivables are in relation to goods and services provided by the Group 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.

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

Note 5. Current assets - trade and other receivables (con't)

Credit risk

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	0-30	31-60	61-90	>90	Impaired	Total
	\$	\$	\$	\$	\$	\$
2022						
Trade receivables	3,738,110	-	-	23,068	-	3,761,178
Other receivables	2,271,517	-	-	-	-	2,271,517
	6,009,627	-	-	23,068	-	6,032,695
2021						
Trade receivables	7,309,440	15,673	79,560	11,160		7,415,833
Other receivables	740,221	3,750	-	-		743,971
	8,049,661	19,423	79,560	11,160		8,159,804

Receivables past due but not considered impaired are \$23,068 (2021: \$110,143). Payment terms on these amounts have not been renegotiated. The Group is satisfied that payment will be received in full.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Judgement and estimates

The assessment for expected credit loss on receivables involves judgement and estimates. The assessment is based on past history and known information at year end.

Note 6. Inventories

	2022	2021
	\$	\$
CURRENT		
Trading Stock	<u>84,499</u>	<u>106,066</u>

Recognition and Measurement

Stock on hand, being finished goods, has been valued at the lower of cost or net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the stock and bringing it to its existing location.

Inventory expensed immediately

A number of educational items are provided free of charge at various education seminars and events throughout the year. These are requisitioned from stock and expensed immediately.

Note 7. Current assets - other

	2022	2021
	\$	\$
CURRENT		
Prepayments	<u>891,198</u>	<u>1,039,051</u>
	<u>891,198</u>	<u>1,039,051</u>

Note 8. Other Financial Assets

	2022	2021
	\$	\$
CURRENT		
Term deposits	<u>-</u>	<u>3,058,597</u>
	<u>-</u>	<u>3,058,597</u>

Recognition and Measurement

The Group classifies its term deposits, as other financial assets, when they are for a term of more than three months. The classification may also depend on the purpose for which the investments were acquired.

Note 9. Financial Assets at Fair Value Through Profit or Loss

	2022 \$	2021 \$
NON – CURRENT		
Managed Investment portfolio	<u>15,808,788</u>	<u>14,819,483</u>

Recognition and Measurement

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 Group 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.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 10. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Land and buildings		
At cost	20,772,697	20,615,197
Accumulated depreciation	<u>(1,165,920)</u>	<u>(703,934)</u>
	<u>19,606,777</u>	<u>19,911,263</u>
Fixtures, fittings and furniture		
At cost:	2,616,848	2,528,305
Accumulated depreciation	<u>(1,803,074)</u>	<u>(1,598,726)</u>
	<u>813,774</u>	<u>929,579</u>
Computer equipment		
At cost	2,892,206	2,590,691
Accumulated depreciation	<u>(2,464,752)</u>	<u>(2,183,261)</u>
	<u>427,454</u>	<u>407,430</u>
Motor vehicles		
At cost	137,474	79,324
Accumulated depreciation	<u>(81,974)</u>	<u>(79,324)</u>
	<u>55,500</u>	-
Office equipment		
At cost	201,557	201,556
Accumulated depreciation	<u>(192,716)</u>	<u>(178,609)</u>
	<u>8,841</u>	<u>22,947</u>
Capital work in progress	<u>101,730</u>	<u>40,109</u>
Total property, plant and equipment	<u><u>21,014,076</u></u>	<u><u>21,311,328</u></u>

Note 10. Non-current assets - property, plant and equipment (con't)

Reconciliations

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

	Office equipment \$	Computer equipment \$	Fixtures, fittings and furniture \$	Land and buildings \$	Motor vehicles \$	Capital work in progress \$	Total \$
Balance at 1 July 2020	29,529	44,467	42,018	-	-	-	116,014
Additions	-	118,005	51,468	-	-	40,109	209,582
Additions through unification (Note 31b)	5,394	318,268	881,160	19,970,118	-	-	21,174,940
Depreciation expense	(11,976)	(73,310)	(45,067)	(58,855)	-	-	(189,208)
Balance at 30 June 2021	22,947	407,430	929,579	19,911,263	-	40,109	21,311,328
Additions	-	301,054	67,226	-	-	61,621	429,901
Additions through unification (Note 31b)	-	-	17,720	-	58,150	-	75,870
Transfer	-	-	3,597	-	-	-	3,597
Revaluation	-	-	-	157,500	-	-	157,500
Depreciation expense	(14,106)	(281,030)	(204,348)	(461,986)	(2,650)	-	(964,120)
Balance at 30 June 2022	8,841	427,454	813,774	19,606,777	55,500	101,730	21,014,076

Recognition and Measurement

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.

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 Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 10. Non-current assets - property, plant and equipment (con't)

Estimation of useful lives of assets

The Group 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 an item 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.

The Group measures the office properties at revalued amounts, with changes in fair value being recognised in the statement of equity through asset revaluation reserve. The office properties were valued by reference to transactions involving properties of a similar nature, location, and condition. The Group engaged an independent valuation specialist to assess fair values as at 30 June 2022 for the office properties.

Note 11. Intangible Assets

	2022	2021
	\$	\$
NDSS Development software (i)		
Cost	2,152,020	2,152,020
Accumulated amortisation and impairment	<u>(2,152,020)</u>	<u>(2,151,020)</u>
	<u>-</u>	<u>-</u>
Other software (II)		
Cost	1,193,637	775,682
Accumulated amortisation and impairment	<u>(1,008,814)</u>	<u>(450,034)</u>
	<u>184,823</u>	<u>325,648</u>
Total Intangibles	<u>184,823</u>	<u>325,648</u>

Recognition and Measurement

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.

Note 11. Intangible Assets (con't)

Description of intangible assets

(i) NDSS Developed software

Software developed by a third party on the Group'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.

(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.

Reconciliations

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

	Developed Software	Other Software	Total
	\$	\$	\$
Balance at 1 July 2021	-	325,648	325,648
Additions through unification (Note 31)	-	418,005	418,005
Assets written off	-	(344,158)	(344,158)
Amortisation	-	(214,672)	(214,672)
Balance at 30 June 2022	-	184,823	184,823

12. Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade	3,004,849	4,911,757
Sundry payables and accrued expenses	2,927,824	3,244,084
Other payables	1,034,880	688,526
GST payable	576,268	408,534
	<u>7,543,821</u>	<u>9,252,901</u>
Financial liabilities at amortised cost classified as trade and other		
Total current trade and other payables	7,543,821	9,252,901
Less: GST payable	(576,268)	(408,534)
Financial liabilities as trade and other payables	<u>6,967,553</u>	<u>8,844,367</u>

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the Group 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 13. Provisions

	2022 \$	2021 \$
CURRENT		
Annual leave	2,227,886	1,877,471
Long service leave	<u>866,110</u>	<u>648,618</u>
	<u>3,093,996</u>	<u>2,526,089</u>
NON-CURRENT		
Long service leave	<u>468,506</u>	<u>514,299</u>

Recognition and Measurement

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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.

Annual leave

A provision has been recognised for employee entitlements relating to annual leave. Annual leave is expected to be taken within one year, is recognised as a current liability and measured at the amounts expected to be paid when the liability is settled.

Long service leave

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 3 to this report.

Where an employee has an unconditional entitlement to long service leave, it is expected that the employee will take unconditional long service leave within one year, and has been classified as a current liability.

Judgement and Estimates

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. This requires judgement and estimates based on past history and future analysis.

Note 14. Membership fees received in advance

	2022 \$	2021 \$
Membership fees received in advance	<u>1,097,455</u>	<u>1,009,220</u>

Note 15. Contract liabilities

	2022	2021
	\$	\$
Life for a Child	4,415,403	3,552,262
Corporate Partnership	1,343,651	1,121,710
Federal Government grants - Non NDSS	46,661	841,668
My Health for Life	758,329	323,395
Other grants	<u>361,995</u>	<u>294,509</u>
	<u>6,926,039</u>	<u>6,133,544</u>
<i>Movement reconciliation:</i>		
Opening balance	6,133,544	
Addition through unification	217,194	
Receipts during the year	20,782,863	
Adjustment/returned to funder	(8,182)	
Transfer to revenue – performance obligations satisfied in the year	<u>(20,199,380)</u>	
	<u>6,926,039</u>	

Note 16. Lease Liabilities

	2022	2021
	\$	\$
CURRENT		
Lease liabilities	<u>298,674</u>	<u>288,617</u>
NON-CURRENT		
Lease liabilities	<u>221,752</u>	<u>467,720</u>
	<u>520,426</u>	<u>756,337</u>
 Movement of lease liabilities during the year		
Balance at beginning of the year	756,337	132,278
Additions	-	729,426
Leases acquired on unification (Note 31)	182,854	127,811
Lease payments	(450,995)	(259,574)
Interest expense	<u>32,230</u>	<u>26,396</u>
	<u>520,426</u>	<u>756,337</u>

Note 16. Lease Liabilities (con't)

Recognition and Measurement

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 Group'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 17. Unspent NDSS Government Grants

CURRENT

NDSS funds payable to Federal Government	<u>1,789,815</u>	<u>3,966,866</u>
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The accounting policies adopted and the description of government grants received by the Group, including the conditions attached to the grants, have been disclosed in Note 2.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,789,815. At the end of the 2021-24 NDSS agreement, all surplus funds will be returned to the Federal Government.

Movement in government grants

Government grants as at beginning of year	3,966,866	14,131,478
Net payment to the government	(3,935,093)	-
Received during the year	47,736,780	37,156,585
Other fund received	433,240	-
Funds returned from Agents	-	(1,404,330)
Cumulative catchup adjustment	(24,271)	-
Recognised in Profit and Loss during the year	<u>(46,387,707)</u>	<u>-</u>
Government grants as at end of year	<u>1,789,815</u>	<u>3,966,866</u>

Note 18 Reconciliation of Cash Flow From Operations

	2022	2021
	\$	\$
Net (deficit) /surplus for the year	(4,876,455)	8,427,277
<i>Adjustments for</i>		
- Depreciation and amortization	1,610,092	485,259
- Interest received	(11,353)	-
- Mark to market movement- Investments	1,933,282	-
- Dividend income	(415,267)	-
- Assets written off	344,158	-
- Decrease in trade and other receivables	2,105,416	6,237,230
- (Increase) in other assets	189,070	86,373
- Increase in other receivables	-	26,040
- (Decrease) in trade and other payables	(1,861,719)	(16,287,867)
- (Decrease) in unspent grants	(2,177,050)	-
- Increase in other liabilities	356,346	-
- Increase in provisions	104,343	2,307,714
Net cash flows (used in)/ provided by operating activities	<u>(2,699,137)</u>	<u>1,282,026</u>

Note 19. Constitution and Members' Guarantee

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

The Diabetes Australia Constitution was amended on 28 January 2021, by unanimous vote of the member organisations at that time, to support a staged unification process in which member organisations could choose to merge with Diabetes Australia.

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.

Note 20. Equity - retained surpluses

- On 27 July 2021, Diabetes Tasmania members voted overwhelmingly in favour of merging with Diabetes Australia and the entity ceased to be a member organisation and became a controlled subsidiary of Diabetes Australia.
- On 12 August 2021, the Australian Diabetes Society and Australian Diabetes Educators members voted overwhelmingly in favour of change to their Constitutions to appoint Diabetes Australia as a member and to appoint a Diabetes Australia nominee director to their Boards. These two organisations remain as Member Organisations of Diabetes Australia and the members of ADS and ADEA have the same rights as General Members of Diabetes Australia.
- The members of Diabetes NSW&ACT, Diabetes QLD and Diabetes Tasmania transferred to become General Members of Diabetes Australia in their annual renewal process, and this was completed in 2021-22.
- A new Diabetes Australia membership category of Reciprocal General Member was created. Diabetes Victoria remains a member organisation and its members may apply to become Reciprocal General Members of Diabetes Australia.
- If the Company (Diabetes Australia) is wound up, the Constitution states that each member pre 28 January 2021 is required to contribute a maximum of \$50 each, and each new Member post 28 January 2021 is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company.
- At 30 June 2022, the number of members was 52,082. (2021: 27,346).

Note 21. Related Party Transactions

Related parties

The consolidated financial statements include the financial statements of Diabetes Australia Limited and the subsidiaries listed below:

- Diabetes Australia Research Limited
- Diabetes Australia Research Trust
- Diabetes NSW&ACT
- Diabetes Australia - Tasmania
- Diabetes Qualified Pty Ltd
- Gilicious Management Pty Ltd
- Diabetes Association of Queensland Limited

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 2021-22 financial year, Diabetes Australia Limited made a \$8,761,154 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 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 3.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties not 100% consolidated.

Loans to/from related parties

There were no loans to or from related parties not 100% consolidated at year end

Note 22 Key Management Personnel Disclosures

Directors' compensation

All Directors apart from the President acted in an honorary capacity up to 20 November 2021. At the 20 November 2021 Annual General Meeting the members approved a maximum total aggregate amount of remuneration payable to Directors of the Company set at \$250,000. The Directors post the Annual General Meeting are remunerated at \$50,000 for the Independent President and Chair, \$15,000 per annum for Directors chairing committees, and \$12,000 per annum for other Directors .

The expense recognised for Directors compensation received during the year is shown in the table below:

	2022	2021
	\$	\$
Short - term employee benefits	112,603	47,067
Post - employment benefits	<u>11,260</u>	<u>4,471</u>
Total Compensation	<u>123,863</u>	<u>51,538</u>

Note 22 Key Management Personnel Disclosures (con't)

Other key management personnel

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

Executive	Position
Justine Cain	Group Chief Executive Officer (Appointed November 2021)
Greg Johnson	Chief Executive Officer (resigned November 2021)
Sturt Eastwood	CEO NSW&ACT and QLD, Executive Director Growth
Paul Southcott	Chief Finance Officer & Corporate Services
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 (appointed May 2022)
Jessica McKinnon	Company Secretary (appointed May 2022)

The expenses recognised for the above key management personnel compensation received during the year is shown in the table below:

	2022	2021
	\$	\$
Short – term employee benefits	1,808,168	1,075,798
Post – employment benefits	143,615	104,023
Total compensation	<u>1,951,783</u>	<u>1,179,821</u>

The key management personnel expenditure increased considerably in the 2021-22 financial year, compared to prior year, with the increased responsibilities, net assets and resources from the unification activities.

Note 23 Commitments

Research grants

	2022	2021
	\$	\$
Payable - General research grants		
Within one year	1,683,875	1,531,193
Payable - Millennium research grants		
Within one year	74,826	112,500
After one year but not more than five years	149,652	-
	<u>224,478</u>	<u>112,500</u>
Payable - Other research grants		
Within one year	398,500	615,000
After one year but not more than five years	233,500	375,000
	<u>632,000</u>	<u>990,000</u>
Total research grant commitments	<u>2,540,353</u>	<u>2,633,693</u>

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.

Note 23 Commitments (con't)

Agent's remuneration

The group has agreements with agents where there are commitments for \$17,567,580

Leasing commitments

Operating lease commitments – Group as lessor

Last year there was operating lease commitments of \$612,682, and there is nil in 2022.

Note 24 Contingencies

There is currently a claim against one of the subsidiaries, in respect of a legal case. These claims are being managed by our legal representatives in conjunction with management. The claim is currently regarded as a contingent liability as the amount, if any, that may be paid as a result of these claims is currently unable to be determined.

Note 25 Events subsequent to the end of the reporting period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Note 26 Economic dependence

A significant portion of the Group's income is from the Federal Department of Health to operate the National Diabetes Services Scheme (NDSS). The Group has successfully renegotiated a three year agreement with the Department to continue to conduct NDSS services from 1 July 2021 to 30 June 2024. Activities managed under the NDSS are dependent on these funds and for Diabetes Australia Group to operate at its current capacity.

The level of income from bequests and donations is not directly under the control of the Group and may substantially vary from year to year.

The Group is also reliant on other grants as sources of revenue.

Note 27 Parent entity and consolidated entities information

Information on parent entity

	2022	2021
	\$	\$
ASSETS		
Current assets	11,348,776	13,825,936
Non-current assets	660,826	748,207
Total Assets	12,009,602	14,574,143
LIABILITIES		
Current liabilities	8,698,174	9,413,120
Non-current liabilities	202,966	1,048,292
Total Liabilities	8,901,140	10,461,412
EQUITY		
Issued capital	100	100
Retained earnings	3,108,362	4,112,631
Total Equity	3,108,462	4,112,731
Deficit of the parent entity	(1,004,269)	(703,017)
Total comprehensive loss of the parent entity	(1,004,269)	(703,017)

The parent entity of the group is Diabetes Australia Limited.

Contingent liabilities and guarantees

The parent entity had no contingent liabilities or commitment as at 30 June 2022 and 30 June 2021.

Commitments

The parent entity has agreements with agents where there are commitments for \$34,763,275 (2021: \$35,959,201).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1.

Note 28. Financial instruments

Financial risk management objectives

The company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk

The company is not exposed to any significant foreign currency risk.

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The company is not exposed to any significant interest rate risk.

Credit risk

The company is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	6,967,553	-	-	-	6,967,553
Other payables	-	-	-	-	-	-
Total non-derivatives		6,967,553	-	-	-	6,967,553

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2021						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	8,844,367	-	-	-	8,844,367
Other payables	-	-	-	-	-	-
Total non-derivatives		8,844,367	-	-	-	8,844,367

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 28. Financial instruments (con't)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 29 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd (2021-RSM Australia and other subsidiary auditors)

	2022	2021
	\$	\$
Audit of the financial report of the entity and any other entity in the company	<u>171,500</u>	<u>195,900</u>

The audit fees incorporate the audit fee for the last year for the subsidiaries acquired during the year as it is not reasonable to split this between post and pre unification.

Note 30. Unification

a. 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 (Note 21).

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	<u>3,003,334</u>

For the eleven months period ended 30 June 2022, Diabetes Tasmania contributed a loss of \$329,162 to the Group'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 been the same if the acquisition had occurred on 1 July 2021

b. Unification Diabetes NSW&ACT and Diabetes QLD

On 28 and 29 April 2021 respectively, Diabetes Queensland and Diabetes NSW&ACT members voted overwhelmingly in favour of merging with Diabetes Australia and these two entities ceased to be member organisations and became controlled subsidiaries of Diabetes Australia (Note 21).

Note 30. Unification (con't)

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

	Diabetes Association of Queensland Limited	Diabetes NSW&ACT	Total
	\$	\$	\$
Cash and cash equivalents	8,585,544	11,048,170	19,633,714
Trade and other receivables	391,68	806,033	1,197,715
Inventories	-	132,106	132,106
Investments	5,038,046	11,456,358	16,494,404
Prepayments	209,224	562	209,786
Property, plant and equipment	4,655,889	16,640,237	21,296,126
Intangible assets	45,635	304,148	349,783
Trade and other payables	(4,671,827)	(5,711,309)	(10,383,136)
Provisions	(859,660)	(961,294)	(1,820,954)
Contract liabilities	(598,235)	(4,571,836)	(5,170,071)
Accrued expenses	(521,809)	(230,589)	(752,398)
Lease liabilities	-	(127,811)	(127,811)
Fair value of net assets	12,274,489	28,784,775	41,059,264

For the two months period ended 30 June 2021, Diabetes QLD and Diabetes NSW& ACT contributed revenue of \$3,760,642 and \$3,920,201 and deficit of \$141,471 and \$220,587, respectively to the Group's results. If the acquisition had occurred on 1 July 2020, management estimates that consolidated revenue would have been \$104 million, and consolidated surplus for the year would have been \$15.13 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2020.

Note 31. Fundraising

The net surplus of fundraising appeals in the financial year has been applied to research or to support the for-purpose endeavours of the Group.

There has been no aggregate income and aggregate direct expenditure from fundraising appeals conducted jointly with traders in the financial year.

Diabetes Australia Limited and Consolidated Entities
Directors' Declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, 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 company's financial position as at 30 June 2022 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.
- There has been appropriate and effective internal controls related to fundraisings.

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 2013.

On behalf of the directors



Michael Stanford

27 October 2022

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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) 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 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 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

A handwritten signature in black ink, appearing to read 'Leah Russell'.

Leah Russell
Director

Sydney, 27 October 2022