

support empower campaign

Concise Financial Report

For the year ended
30 June 2019

ABN 71 005 239 510

The concise financial report is an extract from the full financial report of Diabetes Victoria. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report of Diabetes Victoria, and cannot be expected to provide a comprehensive understanding of the financial performance, financial position and financing and investing activities of the company compared to the full financial report.

Further financial information can be obtained from Diabetes Victoria's full financial report, a copy of which, including the independent audit report, is available to all members, and will be sent to members without charge on request.

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Directors' Report

The directors of Diabetes Victoria hereby submit the annual financial report of the company for the year ended 30 June 2019. In order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the director's report as follows:

The names of the directors of the company during or since the end of the financial year are:

Directors

Glen Noonan	Elected 2011; elected President 2019
<i>Qualifications</i>	Bachelor of Science (<i>Computer Science & Accounting</i>), Member of the Institute of Chartered Accountants.
<i>Experience</i>	Consulting Partner: PricewaterhouseCoopers, practising in the areas of finance, operations and transformation.
<i>Special responsibilities</i>	President; Chair of Audit and Risk Committee; Chair of Commercial Committee; Chair of Executive Committee; <i>ex officio</i> on all other Committees; and Delegate on the Board of Diabetes Australia Limited.
Christian Jose	Elected 2007; elected President 2009, resigned 2019
<i>Qualifications</i>	Master of Business Administration (<i>Melbourne Business School</i>), Dip Law (<i>Sydney</i>).
<i>Experience</i>	Authority Member: Australian Communications and Media Authority. Formerly a Partner at Herbert Smith Freehills, practising in the areas of competition law and market regulation; a Barrister at the Victorian Bar; and employed by various government agencies.
<i>Special responsibilities</i>	President; Chair of Executive Committee; <i>ex officio</i> member of all Committees; and Diabetes Victoria representative on the Board of Diabetes Australia Limited.
Malcolm Gray AM	Elected 1994
<i>Qualifications</i>	B Comm, DDA, FREI, FAPI, FAICD.
<i>Experience</i>	Chairman: GrayJohnson property group; former President: International Cricket Council; and Chairman: BQ Design.
<i>Special responsibilities</i>	Director of Diabetes Australia Research Ltd; Audit and Risk Committee; and Commercial Committee.
Kathryn Arndt	Elected 2007
<i>Qualifications</i>	Bachelor of Business (<i>HRM</i>), Graduate Diploma (<i>Bus</i>), Member of the Australian Institute of Company Directors.
<i>Experience</i>	CEO and non-executive Board Director with experience across health services and community-based organisations, financial services and industry associations; CEO: Victorian Local Governance Association; Member of the Victorian Ministerial Council on Women's Equality; Deputy Chair: Access Health & Community; and Company Secretary: Royal Melbourne Tennis Club.
<i>Special responsibilities</i>	Consumer Advisory Committee; Executive Committee, and Programs and Services Committee.
Professor Peter Colman AM	Elected 2014
<i>Qualifications</i>	MBBS, FRACP, MD.
<i>Experience</i>	Practising Endocrinologist/Diabetologist for over 30 years. Head of the Department of Diabetes and Endocrinology: Royal Melbourne Hospital from 1992 to 2018. Previous positions include: President of the Australian Diabetes Society and a Board Member of Diabetes Australia Limited.
<i>Special responsibilities</i>	Chair of Clinical Advisory Committee.








Professor Patricia Dunning AM	Elected 2011
<i>Qualifications</i>	RN, MEd, PhD, Grad Dip Health Education, Grad Dip Professional Writing.
<i>Experience</i>	Chair in Nursing and Director: Centre for Quality and Patient Safety Health Research at Deakin University and Barwon Health; Past Vice President: International Diabetes Federation; and Member: Course Advisory Committee Graduate Certificate of Diabetes Education at Deakin University.
<i>Special responsibilities</i>	Clinical Advisory Committee; and Programs and Services Committee.
Dr Mark Kennedy	Elected 2018
<i>Qualifications</i>	MBBS, B Med Sci (<i>Hons</i>), Grad Dip Family Medicine, Grad Cert Internal Medicine, Grad Cert Man, GAICD.
<i>Experience</i>	Over 25 years' experience as a general practitioner with special interests in diabetes, medical education and research. Various senior management positions and Board representations. Chair of the Primary Care Diabetes Society of Australia; and Clinical Associate Professor: Department of General Practice at The University of Melbourne.
<i>Special responsibilities</i>	Clinical Advisory Committee; and Programs and Services Committee.
Richard Loveridge	Appointed 2019 (<i>to be confirmed at the 2019 AGM</i>)
<i>Qualifications</i>	B Comm, LLB, Grad Dip Applied Finance, FINSIA.
<i>Experience</i>	Experienced corporate and commercial lawyer, who provided specialist advice on capital raisings, mergers and acquisitions while a partner at Herbert Smith Freehills for more than 21 years. Currently a consultant with the firm and holds several non-executive directorships.
<i>Special responsibilities</i>	Audit and Risk Committee; and Commercial Committee.
Victoria Stevenson	Elected 2011
<i>Qualifications</i>	RN, Grad Dip Health Education, CDE, FACN.
<i>Experience</i>	Diabetes educator in private practice and previous Manager of the Diabetes Education Services at Austin Health. Current Advisory Board member at Deakin University for the Graduate Certificate of Diabetes Education.
<i>Special responsibilities</i>	Clinical Advisory Committee; and Programs and Services Committee.
Edward Stockdale	Elected 2012
<i>Qualifications</i>	B Bus, Fellow CPA, Fellow AICD, Fellow GIA and Fellow CIS.
<i>Experience</i>	Chairman: CXi Software; Director: Trinity Bond Pty Ltd and Computershare Registry Services – Australia, UK & South Africa. Various senior management and Board positions in Australia, the USA, the UK and South Africa.
<i>Special responsibilities</i>	Chair of Consumer Advisory Committee; Audit and Risk Committee; and Commercial Committee.
Dr Sarah Wenham	Elected 2018
<i>Qualifications</i>	MBBS (<i>Hons</i>), B Med Sci, MPH, MBA.
<i>Experience</i>	Associate Partner at McKinsey and Company, in the health and public sector practices. Previous experience in clinical medicine, as well as health systems and policy in Australia, the UK and the US.
<i>Special responsibilities</i>	Chair of Programs and Services Committee.
Mr. Lalith Abeyseena	FCMA (<i>UK</i>), FMIS (<i>UK</i>) held the position of Company Secretary of Diabetes Victoria for the financial year.

Short and Long Term Objectives

Diabetes Victoria's main objective is to continue to be the peak consumer body and leading charity working to reduce the impact of diabetes in the Victorian community. We work to *support, empower and campaign* for all Victorians affected by diabetes, or those at risk.

Diabetes Victoria is fully certified under ISO 9001:2015 quality accreditation standards and has a strong culture of continuous improvement.

Our Strategic Directions for the period 2018-2021 are:

	Access & Equity	<ul style="list-style-type: none"> • Provide accessible information and services that respond to community needs. • Celebrate diversity and work with our priority communities to ensure fairness and health equity.
	Consumer Support & Empowerment	<ul style="list-style-type: none"> • Support, empower and advocate for consumers, as we respect and value their lived experiences. • Collaborate with individuals and communities to continue to understand their needs. • Provide education and support programs, events and information to consumers to improve diabetes self-management.
	Leadership	<ul style="list-style-type: none"> • Influence and support state and national priorities around diabetes prevention and management. • Campaign and raise awareness of the impact of all types of diabetes. • Educate, support and strengthen the Victorian workforce through our training programs, events and information.
	Partnerships & Sustainability	<ul style="list-style-type: none"> • Build and strengthen relationships with business and the community. • Identify and develop a range of funding opportunities. • Embrace innovation and the best use of new workplace technology.
	Prevention	<ul style="list-style-type: none"> • Work across all areas of prevention with people of all ages to build healthier communities. • Raise awareness about diabetes risk factors to reduce the rate and impact.
	Quality & Evaluation	<ul style="list-style-type: none"> • Provide high quality and effective programs, services and products. • Maintain a culture of continuous improvement and use evidence to inform our decisions.
	Research	<ul style="list-style-type: none"> • Champion and fund research, focusing on prevention and management strategies and the search for a cure for all types of diabetes. • Invest in research to improve self-management and reduce the psychological impact of living with diabetes.

Principal Activities and Performance

The principal activities of Diabetes Victoria during the year were to provide assistance to members and people with diabetes through a range of services, including diabetes self-management, education, group education, telephone helpline support, diabetes awareness and prevention programs.

As the Agent for the National Diabetes Services Scheme (NDSS), Diabetes Victoria continues to deliver a broad range of programs and services to support people with diabetes. The NDSS is an initiative of the Australian Government, administered with the assistance of Diabetes Australia. As at 30 June 2019, almost 332,000 Victorians were living with diabetes and registered with the NDSS. We supported 1,286 Access Points, delivered more than 450 programs with over 100,000 registrations, distributed 120,000 resources and had over 1 million impressions on social media.

In December 2017, Diabetes Victoria successfully rolled out the national NDSS Helpline on behalf of Diabetes Australia. The NDSS Helpline made 280,000 contacts and continues to provide high-quality services for NDSS registrants and others throughout Australia. We were delighted to win a Project Management Achievement award from the Australian Institute of Project Management (AIPM) in late 2018. This award, along with the global award received at the Genesys conference in Indianapolis in 2017, confirms Diabetes Victoria's commitment to excellence.

Diabetes Victoria has delivered the *Life!* program for over 10 years and is recognised as a national leader in delivering one of the largest lifestyle intervention programs in the world for people at risk of type 2 diabetes, heart disease or stroke. This program is funded by the Victorian Government and more than 11,800 Victorians commenced this program in the last year.

The Australian Centre for Behavioural Research in Diabetes (ACBRD) was established as a partnership between Diabetes Victoria and Deakin University in 2010. The ACBRD is recognised as a national research centre for applied behavioural, psychological and social research in diabetes, which aims to improve both the health and quality of life of all people affected by diabetes. The centre featured prominently during the year in terms of publications, presentations at major international diabetes meetings and with its focus on the mental and emotional health of NDSS registrants.

Our partnership with Savers Australia Pty Ltd was formally extended through to February 2021 and we typically supply about 3.6 million kilograms of product to Savers' retail outlets annually. Diabetes Victoria has developed considerable expertise in collecting donated clothes and small household items in several different ways from generous Melburnians. More than 150,000 of our supporters now donate to us regularly, which enables us to fund much needed diabetes research, as we deliver these goods to Savers on a contracted volume basis.

During the year, we delivered many high quality activities, extending our reach to people living with diabetes, such as the Living Well with Diabetes Victoria events in both metropolitan Melbourne and regional Victoria, our annual Kellion Victoria Medal award ceremony, our National Diabetes Week and World Diabetes Day campaigns and activities.

We also delivered a successful Diabetes Expo at the Melbourne Convention & Exhibition Centre on Saturday 27 April 2019, with more than 5,000 registrations, 70 exhibitors and 3 major sponsors. This was the third Expo that Diabetes Victoria delivered to raise awareness about the seriousness and complexity of diabetes and to provide meaningful support to enable people with diabetes to live well. The feedback received was overwhelmingly positive and the presentations, panel discussions, spotlight sessions and cooking demonstrations were conducted in a very high standard.

We have strong collaborations and partnerships with commercial partners, public health and advocacy groups, and other diabetes organisations in Australia. We continued to support the Obesity Policy Coalition and Parents' Voice both financially and with their various campaigns, advocacy and awareness-raising activities.

Our Salesforce customer relationship management system and PureCloud telephony system have delivered many benefits for our organisation. We were represented at a number of Not-for-profit conferences on our digital transformation and we are now recognised as a leader in the digital space not only in this sector, but also in the wider industry.

Review of Operations

The net result was a surplus of \$1,990,787 (2018: \$488,645). This net surplus was after accounting for bequest income of \$2,684,463 (2018: \$1,473,588). National Diabetes Services Scheme (NDSS) transaction fee income was \$9,389,099 per income statement (2018: \$8,507,386) representing an increase of 10% compared to the previous year. Life! Program funding was \$4,391,228 (2018: \$4,334,922).

The company's commitment to the Diabetes Australia Research Trust was \$1,371,436 (2018: \$1,400,000). In addition, the contribution to the Australian Centre for Behavioural Research was \$527,826 (2018: \$500,412) taking the total contribution for research to \$1,899,262 (2018: \$1,900,412).

The net surplus will be allocated as follows – \$750,000 to the Research Contingency Fund to support research studies as agreed by the Directors and \$1,161,355 to the Development Reserve to fund projects, including building costs, as agreed by the Directors. As a result, accumulated funds will increase by \$79,432.

Cash assets which comprise the company's Business Money Management Account and Business Investment Account increased to \$7,460,420 (30 June 2018: \$5,970,274). Other financial assets in ASX20 listed equities and permitted investments decreased to \$5,407,462 (2018: \$5,714,527).

Changes in State of Affairs

During the financial year there were no significant changes to the state of affairs of the company, other than that referred to in the financial statements or notes thereto.

Future Developments

The Board of Directors are not aware of any developments in the operations of the company in future financial years which are likely to result in a material effects to the company.

Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Corporate Governance

The Board of Directors are responsible for the good governance of Diabetes Victoria. The Board's principal activities have been to:

- adopt and monitor the annual business plan, goals and objectives aligned to the strategic directions;
- ensure compliance and risk management programs are operating effectively;
- provide overall guidance and support to the senior management.

Board Composition

All Directors of Diabetes Victoria are non-executive Directors. The Board comprises Directors with a range of qualifications and skills including medical, government relations, finance, business, law, research and marketing. Directors act in a voluntary capacity. No Director has received or become entitled to receive a benefit because of a contract made by the company or any related party of the company with the Director or any related party of the Director.

Board Responsibilities

The Board acts on behalf of and is accountable to the members. The Board makes every endeavour to meet the expectations of members and monitors changes in the external environment including government policy and legislation and community expectations.

The responsibility for leadership, management and operation is delegated by the Board to the Chief Executive Officer. The Chief Executive Officer and Management Team are held accountable for the achievement of business plans and operating budgets. The Board, Chief Executive Officer and Management Team jointly develop the strategic directions and the annual business plan and operating budget.

The Board meets ten times a year and monitors the achievements of programs & services and financial targets against budget.

Board Committees

To maximise its effectiveness and efficiency the Board has formed a number of sub-committees.

a) Audit and Risk Committee

The primary role of the Audit and Risk Committee is to review the annual financial statements. The Committee also ensures that all statutory obligations in financial management and reporting are properly addressed and a comprehensive risk management program is maintained. This Committee meets once in a year, in July or August.

b) Clinical Advisory Committee

The Clinical Advisory Committee promotes close links between Diabetes Victoria, key clinicians and health services that provide services to people with diabetes in Victoria, with the aim of improving outcomes for these people. This Committee meets twice a year.

c) Commercial Committee

The Commercial Committee oversees the financial performance of Diabetes Victoria, promotes good governance in the organisation and provides appropriate advice on these and related matters. This Committee meets monthly, except December and January.

d) Consumer Advisory Committee

The Consumer Advisory Committee provides advice and feedback from a consumer perspective about the challenges faced by Victorians affected by diabetes. This Committee meets twice a year.

e) Executive Committee

The Executive Committee is a forum in which the Chief Executive Officer and a sub-group of Board Directors can discuss issues of significance in a timely manner. Some of these issues will be resolved at Executive Committee meetings, while others will require further discussion at Board meetings.

f) Programs and Services Committee

The Programs and Services Committee provides governance and strategic advice on the programs and services provided by Diabetes Victoria. This Committee meets five times a year.

Subsequent Events

There has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years apart from normal operating contracts associated with the company's objectives.

Indemnification of Officers and Auditors

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate: indemnified against a liability, including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay

a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings with the exception of the following matter.

During the financial year, the Department of Health and Human Services has paid premiums to indemnify the Directors of the company (as named below) and officers against third party legal proceedings arising out of their lawful conduct while acting in the capacity of director or officer of the company. The contract of insurance does not allow for the disclosure of the premium.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2019, the number of members was 38,936 (2018: 35,156).

Directors' Meetings

The following sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director while they were a director. During the financial year, ten board meetings were held.

<u>Directors</u>	<u>Held</u>	<u>Attended</u>
Glen Noonan	10	9
Christian Jose	7	4 <i>resigned 2019</i>
Malcolm Gray AM	10	9
Kathryn Arndt	10	7
Professor Peter Colman AM	10	8
Professor Patricia Dunning AM	10	8
Dr Mark Kennedy	10	10
Richard Loveridge	3	3 <i>appointed 2019 (to be confirmed at the 2019 AGM)</i>
Victoria Stevenson	10	9
Edward Stockdale	10	8
Dr Sarah Wenham	10	8

Auditor's independence declaration

The auditor's independence declaration is included on page 10 of the annual report.

This Directors' report is signed in accordance with a resolution of Directors.

On behalf of the Directors



Glen Noonan
 Director
 Melbourne, 29 July 2019



Malcolm Gray
 Director
 Melbourne, 29 July 2019

Auditor's Independence Declaration

To the Board Members of Diabetes Victoria

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Diabetes Victoria for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 29 July 2019

Independent Auditor's Report

To the Members of Diabetes Victoria

Report on the audit of the financial report

Opinion

We have audited the concise financial report of Diabetes Victoria (the "Company"), which comprises the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements derived from the full financial report of Diabetes Victoria for the year ended 30 June 2019, and the Director's declaration.

In our opinion, the accompanying concise financial report of Diabetes Victoria, complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

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 Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the concise 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 audit opinion.

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

The Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the full financial report of Diabetes Victoria for the year ended 30 June 2019, in our report dated 29 July 2019.

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Directors report for the year ended 30 June 2019, but does not include the concise financial report and our auditor's report thereon.

Our opinion on the concise 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 concise financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the concise financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Management and Those Charged with Governance for the Concise Financial Report

Management is responsible for the preparation and fair presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports*. This responsibility includes such internal control as management determines is necessary to enable the preparation of the concise financial report to be free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the concise 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 on whether the concise financial report, complies in all material respects, with AASB 1039 *Concise Financial Reports* based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 29 July 2019

Directors' Declaration

The Directors declare that:

- (a) in the Directors' opinion, 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
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a unanimous resolution of the directors made pursuant to the Australian Charities and Not-for-profits Commission Act 2012.

On behalf of the Directors



Glen Noonan
Director

Melbourne, 29 July 2019



Malcolm Gray
Director

Melbourne, 29 July 2019

Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue			
NDSS Revenue		9,389,099	8,507,386
Life! Program		4,391,228	4,334,922
Collection Business		5,550,466	5,417,043
Member Subscriptions		1,447,966	1,358,203
Bequests		2,684,463	1,473,588
Donations, appeals and corporate partnerships		1,450,119	1,214,019
Program and Other Income		2,296,694	1,863,187
Total revenue	3	27,210,035	24,168,348
Expenses			
Employee benefits		(11,777,952)	(10,684,877)
Life! Program course delivery		(2,675,286)	(2,638,324)
Materials		(1,700,249)	(1,558,616)
Projects and programs		(494,041)	(605,454)
Consultancy and recruitment		(380,717)	(359,547)
Events		(719,070)	(539,168)
Occupancy costs		(889,090)	(945,459)
Motor vehicle expenses		(558,078)	(579,663)
Subscription to Diabetes Australia		(103,181)	(103,181)
Depreciation and amortisation expense		(550,741)	(519,671)
Office and other expenditure		(3,465,117)	(3,245,331)
Total expenses		(23,313,522)	(21,779,291)
Operating surplus before gain on financial assets		3,896,513	2,389,057
Gain on financial assets held at fair value through profit or loss		455,087	-
Loss on sale of financial assets		(461,551)	-
Operating surplus before research contributions		3,890,049	2,389,057
Donations to diabetes research		(1,899,262)	(1,900,412)
Income tax expense		-	-
Surplus for the year attributable to members		1,990,787	488,645
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of land and buildings		-	10,492,764
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value gain on financial assets		-	305,902
Reclassification adjustments relating to financial assets disposed of in the year		-	(34,352)
Total comprehensive income for the year		1,990,787	11,252,959

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

Diabetes Victoria
Statement of financial position
As at 30 June 2019

Discussion and analysis of statement of profit or loss and other comprehensive income

The net result was a surplus of \$1,990,787 (2018: \$488,645). This net surplus was after accounting for bequest income of \$2,684,463 (2018: \$1,473,588). National Diabetes Services Scheme (NDSS) transaction fee income was \$9,389,099 per income statement (2018: \$8,507,386) representing an increase of 10% compared to the previous year. Life! Program funding was \$4,391,228 (2018: \$4,334,922).

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The net surplus will be allocated as follows – \$750,000 to the Research Contingency Fund to support research studies as agreed by the Directors and \$1,161,355 to the Development Reserve to fund projects, including building costs, as agreed by the Directors. As a result, accumulated funds will increase by \$79,432.

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

Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents		7,460,420	5,970,274
Trade and other receivables		1,034,233	964,827
Inventories		482,208	417,638
Other assets		684,458	503,572
Total current assets		<u>9,661,319</u>	<u>7,856,311</u>
Non-current assets			
Other financial assets		5,407,462	5,714,527
Property, plant and equipment		13,574,262	13,816,202
Other intangible assets		376,940	438,740
Total non-current assets		<u>19,358,664</u>	<u>19,969,469</u>
Total assets		<u>29,019,983</u>	<u>27,825,780</u>
Liabilities			
Current liabilities			
Current trade and other payables		3,626,148	4,596,541
Provisions		1,686,964	1,514,758
Other liabilities		379,133	386,059
Total current liabilities		<u>5,692,245</u>	<u>6,497,358</u>
Non-current liabilities			
Provisions		245,088	236,559
Total non-current liabilities		<u>245,088</u>	<u>236,559</u>
Total liabilities		<u>5,937,333</u>	<u>6,733,917</u>
Net assets		<u>23,082,650</u>	<u>21,091,863</u>
Equity			
Development Reserve		6,700,000	5,538,645
Research Contingency Fund		1,000,000	250,000
Asset Revaluation Reserve		10,492,764	10,509,918
Accumulated Funds		4,889,886	4,793,300
Total equity		<u>23,082,650</u>	<u>21,091,863</u>

Discussion and analysis of statement of financial position

Cash assets which comprise the company's Business Money Management Account and Business Investment Account increased to \$7,460,420 (30 June 2018: \$5,970,274). Other financial assets in ASX20 listed equities and permitted investments decreased to \$5,407,462 (2018: \$5,714,527).

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

Statement of Changes in Equity for the year ended 30 June 2019

	Asset Revaluation Reserve \$	Development Reserve \$	Research Contingency Fund \$	Accumulated Funds \$	Total equity \$
Balance at 1 July 2017	(254,396)	5,300,000	-	4,793,300	9,838,904
Surplus for the year	-	-	-	488,645	488,645
Other comprehensive income for the year	10,764,314	-	-	-	10,764,314
Transfer to Reserve	-	238,645	250,000	(488,645)	-
Total comprehensive income for the year	10,764,314	238,645	250,000	-	11,252,959
Balance at 30 June 2018	10,509,918	5,538,645	250,000	4,793,300	21,091,863

	Asset Revaluation Reserve \$	Development Reserve \$	Research Contingency Fund \$	Accumulated Funds \$	Total equity \$
Balance at 1 July 2018	10,509,918	5,538,645	250,000	4,793,300	21,091,863
Surplus for the year	-	-	-	1,990,787	1,990,787
Other comprehensive income for the year	-	-	-	-	-
Transfer to Reserve	-	1,161,355	750,000	(1,911,355)	-
AASB 9 Transition adjustment	(17,154)	-	-	17,154	-
Total comprehensive income for the year	(17,154)	1,161,355	750,000	96,586	1,990,787
Balance at 30 June 2019	10,492,764	6,700,000	1,000,000	4,889,886	23,082,650

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

Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		26,985,088	24,392,766
Payments to suppliers and employees		(25,697,154)	(23,620,190)
Interest received		139,923	137,423
Net cash from operating activities		1,427,857	909,999
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets		(266,901)	(630,537)
Proceeds from disposal of property, plant and equipment		22,123	12,800
Payment for available-for-sale financial assets		-	(792,462)
Proceeds from financial assets at fair value through profit or loss		307,067	-
Net cash from/(used in) investing activities		62,289	(1,410,199)
Net increase/(decrease) in cash and cash equivalents		1,490,146	(500,200)
Cash and cash equivalents at the beginning of the financial year		5,970,274	6,470,474
Cash and cash equivalents at the end of the financial year		7,460,420	5,970,274

Discussion and analysis of cash flow statement

Cash assets which comprise the company's Business Money Management Account and Business Investment Account increased to \$7,460,420 (30 June 2018: \$5,970,274). Other financial assets in ASX20 listed equities and permitted investments decreased to \$5,407,462 (2018: \$5,714,527).

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

Notes to the Financial Statements

1. Summary of accounting policies

Basis of preparation

The concise financial report has been prepared in accordance with the company's constitution and Accounting Standards AASB 1039 "Concise Financial Reports". The concise financial report, including the financial statements and specific disclosures included in the concise financial report, has been derived from the full financial report of Diabetes Victoria.

The financial statements have been prepared in Australian dollars which is the functional and presentation currency of the company.

Note 2. Change in accounting policies

2.1 New and revised standards in issue but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 Revenue from Contracts with Customers, 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15, 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-profit Entities	1 January 2019	30 June 2020
AASB 1058 Income of Not-for-profit Entities	1 January 2019	30 June 2020
AASB 16 Leases	1 January 2019	30 June 2020
AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-profit Entities	1 January 2019	30 June 2020

2.2 New and revised standards that are effective for these financial statements

New standards adopted as at 1 July 2018:

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 has impacted the following areas:

Classification and measurement of financial assets

Available for sale financial assets under AASB 139 included listed equity investments of \$5,714,527 at 30 June 2018. These were reclassified to fair value through profit or loss (FVPL) under AASB 9. \$17,154 relating to these equity investments was transferred from the asset revaluation reserve to retained earnings on 1 July 2018.

	2019	2018
	\$	\$
Note 3. Revenue		
Revenue from the sale of goods and services rendered	15,075,245	14,065,256
State government grants received	4,391,228	4,334,922
Member subscription income	1,447,965	1,358,203
Donations, corporate partnerships & bequests	4,134,581	2,687,607
Interest	139,923	137,423
Investment income	711,322	319,461
Program and other income	1,309,771	1,265,476
	27,210,035	24,168,348

Note 4. Surplus for the year

Surplus for the year has been arrived at after charging the following items of income and expense:

Profit/(loss) on disposal of property, plant and equipment	2,418	10,675
Write-offs	193	3,693
Operating lease expense	983,393	981,501
Superannuation	1,066,097	942,811

Note 5. Economic dependency

A significant volume of the company's operations are performed for the Commonwealth Government via the National Diabetes Services Scheme (NDSS), with the State Department of Health & Human Services, and with Savers Limited regarding the collection business.

Approximately 72% of the company's revenue is derived from these sources.

Note 6. Subsequent events

There were no materially significant post balance day events for the year ended 30 June 2019.

Diabetes Victoria

570 Elizabeth Street
Melbourne VIC 3000
Telephone 1300 437 386

NDSS Helpline 1300 136 588
mail@diabetesvic.org.au
diabetesvic.org.au



'Journey, Commitment & Respect'
Artist: Emma Bamblett - Wemba Wemba