JDRF Australia

ABN 40 002 286 553

Annual report
for the year ended 30 June 2020

JDRF Australia

ABN 40 002 286 553

Annual report - 30 June 2020

Contents

Directors' Report

JDRF Australia (JDRF) is registered as a company limited by guarantee not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. The directors present their report on the company for the year ended 30 June 2020.

Directors

The following persons were directors of JDRF Australia during the whole of the financial year and up to the date of this report (unless otherwise indicated):

Richard Goyder AO
Paul Heath
Stuart Green
Mike Wilson OAM
Kate Aitken
Professor James Best AO
Jeffrey Browne
Rebecca Davies AO (term expired 10 December 2019)
Selina Lightfoot
Jonathan Salmon
Tanya Branwhite (appointed 20 August 2020)

Principal activities and performance

JDRF's main activities include:

- Research strategy and investment
- Government programs, policy, and advocacy
- Financial performance, risk and operations
- Community programs and engagement

JDRF has an ongoing cycle of measurement and monitoring of performance against budgets and annual operating plans for these areas of activity, with regular reporting provided to the Board and relevant Board Committees.

Research investment

In 2020, JDRF continued to fund the best and most promising Australian type 1 diabetes research, as well as providing support programs to the Australian type 1 diabetes community. JDRF invested $10.8m (2019: $14.9m) directly in Australian research and support programs, including direct funding for Australian research projects, management of Government-funded research and support initiatives, fellowships, conference grants, postgraduate scholarships, travel grants for young scientists, and a range of other support programs.

The Helmsley Charitable Trust (HCT) remains one of our major mission partners and sources of partnership funding for T1D research. In 2020, we acquitted $2.9m (2019: $4.5m) of HCT-funded grants.

Government programs and support

The JDRF Type 1 Diabetes Clinical Research Network (CRN) is a Government-funded research initiative managed by JDRF.

In 2020, we acquitted $8.3m of Government funding as part of CRN research initiatives. Our budgeted expenditure on CRN initiatives for 2021 is $12.9m.

Principal activities and performance (continued)

Government programs and support

The key pillars of this next 5 years of the CRN includes:
· Support for early and mid-career leadership programs and fellowship
· Funding for Innovation
· Strengthening data and biological tools
· Developing a strategic policy agenda
· Prevention and screening, and
· Promoting Australian sites as a global partner for clinical trials

In 2021 a key focus of the CRN will be the JDRF funded general population screening pilot study of people with type 1 diabetes risk in Australia.

In 2021, JDRF seeks to drive much greater influence on Government and public policy in Australia. Part of that desire will be supported by the development of a more comprehensive and diverse policy agenda for JDRF Australia. Key to this process will be input from experts and we have engaged a Policy Expert Advisory Group to help guide and advise on the development of this agenda.

In September 2018 the Commonwealth Government increased funding for the Insulin Pump Program delivered by JDRF and amended the existing contract to provide for a new funding agreement of $1.38m per annum over 4-year period which secures $5.5m in funding until 2022.

In 2020, 314 insulin pumps have been supplied by JDRF through the Federally-funded Insulin Pump Program to eligible applicants, with the acquittal of $1.37m of subsidies during the year.

In December 2018 the Coalition Government announced a $100m extension to the existing program of support for access to continuous glucose monitors following advocacy by JDRF in partnership with other leading Australian diabetes organisations. The evaluation conducted by JDRF using the Australian Diabetes Data Network, a program of the CRN, was a key element of this advocacy. The ADDN/CGM evaluation was initiated by JDRF in 2017 with a government grant of $275,000. In 2020 this evaluation was extended until 2024 with the contract value now totalling $1.465m.

In January 2019 JDRF received bipartisan commitment in advance of the 2019 Federal Election to support for the next stage of the Clinical Research Network, including $54.5m from the Coalition. Since the election the Coalition has commenced contractual delivery of $25m over four years to JDRF for the CRN with a further $4.5m committed for peak body funding and $25m for broader diabetes research.

JDRF was impacted by the COVID-19 social distancing measures that were introduced across the country. Consequently, we were forced to cancel our Gala Ball events in Perth, Sydney and Melbourne which were scheduled to be held in June 2020.

JDRF was able to achieve significant cost saving on direct fundraising costs as a result of the change in environment. Our fundraising focus pivoted towards a digital media campaign culminating in our inaugural Giving Day. We secured a matched pool of donations which we used to leverage on the Giving Day, raising further income from an additional 2,000 donors. This initiative enabled JDRF to contribute $1.97m, in FY20, towards a portfolio of general research conducted in Australia.

COVID-19 has impacted the acquittal of Clinical Research Network milestones and support programs which will be reviewed for acquittal in FY21. Government and advocacy programs were able to continue in a virtual format as were community support programs.

JDRF was eligible for the Federal Government’s Job Keeper and GST cash flow boost COVID-19 relief packages. There was no significant change in the nature of the activity of the company during the year other than the COVID-19 related impacts detailed above.

Principal activities and performance (continued)

This financial year JDRF adopted new accounting standards around revenue recognition (AASB 15), income for not-for-profit (AASB 1058) and leases (AASB 16). The adoption of AASB 15 and AASB 1058 resulted in an increase in revenue of $107k in FY20 compared to previous accounting treatment. The adoption of AASB 16 resulted in bringing the residual obligation associated with leases onto the balance sheet for lease contract on properties. JDRF has recognised additional assets and corresponding liabilities of $311,635 as at 1 July 2019. This has resulted in a re-classification of occupany charges to depreciation.

There was no significant change in the nature of the activity of the company during the year.

Review of operations

The net result of the company for the financial year was a surplus of $740,441 (2019 deficit: $423,622). The company is a not-for-profit entity and is exempt from the payment of income tax.

JDRF's mission

JDRF Australia's mission is to improve lives today and tomorrow by accelerating life-changing breakthroughs to cure, prevent, and treat type 1 diabetes and its complications.

JDRF's strategy

Our multi-year strategy recognises five focus areas through which JDRF delivers on its mission:

- Bridging key gaps in the research system
- Supporting tools and talent to accelerate research progress
- Developing and promoting JDRF's brand and impact
- Engaging our community and partners for funding and influence
- Being an exceptional organisation

Financial outcomes

JDRF raises funds from a variety of sources to support our ability to invest in Australian type 1 diabetes research. In 2020, total revenue decreased by 13% (2019: 23%) to $19.7m from $22.7m in 2019. This was as a result of the delays in milestone payments impacted by COVID-19 referred to above and fundraising revenue decreasing by 7% (2019: decreased by 31%) to $6.4m in 2020 from $6.9m in 2019.

Community engagement

JDRF's fundraising outcomes and related research investment is only possible with the strong support of the Australian type 1 diabetes community and their family and friends. JDRF continued its active engagement with the type 1 diabetes community. Through the Peer Support Program, JDRF reached out to over 90% of newly diagnosed children and families within eight weeks of diagnosis. These individuals also received a KIDSAC or T1D education and support pack distributed via hospitals and diabetes clinics nationally at the time of diagnosis.

The JDRF Peer Support Program connects newly diagnosed families to mentors that live with type 1 diabetes to share experiences and provide emotional support. In FY20 we offered Peer Support to over 1000 families. Of these 263 (26%) newly diagnosed families were connected to a mentor through the program. There are currently approximately 156 mentors Australia wide who connect with families to provide this support.

Our T1D Connect closed Facebook groups connect and support over 3,310 members of our community. There are now three groups; one for teens and young adults (14-24yrs) and the other for adults 25+ and our most recent group supporting parents of newly diagnosed children. These groups are moderated and supported by some of our young adult and parent Peer Support Mentors.

The Type One Summit educational conference for our community was held in February in Brisbane with over 300 registrants. The annual conference provides an opportunity for the community to network, connect to T1D clinical trial teams, T1D technology partners and participate in engaging educational sessions led by expert T1D clinicians from across Australia.

Community engagement (continued)

Our community is kept informed of key developments at JDRF and in the type 1 diabetes world regularly through the 'JDRF News' digital publication, delivering relevant stories and up-to-date research information.

Other business

An Affiliate Agreement governs JDRF Australia's relationship with JDRF International (operating in the USA), including licencing of the JDRF brand and related intellectual property considerations as well as the coordination of non-Government-funded research funding decisions.

JDRF Australia also supports a JDRF affiliate in New Zealand. JDRF New Zealand operates as an independent entity with no financial dependence on JDRF.

Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the company has continued its business operations. Management continues to consider the potential implications of COVID-19, which may include disruptions to business operations, availability of employees and changes in donor behaviour. However, as at the date these financial statements were authorised, the company was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19.

There have been no other significant changes in the state of affairs of the company during the year.

Events since the end of the financial year

Except as noted above, no matter or circumstance has arisen since 30 June 2020 that has significantly affected the company's operations, results or state of affairs, or may reasonably and materially do so in future years.

Environmental regulation

The company is not affected by any significant environmental regulation in respect of its operations.

Information on directors

The following information is current as at the date of this report.

Richard Goyder AO	
Title	Chair Co-Chair of the Advisory Board
Year appointed	2016
Qualifications and experience	BCom, FAICD Chairman, Qantas Airways, Woodside Petroleum Limited, Australian Football League Commission, West Australian Symphony Orchestra, and Channel 7 Telethon Trust Former Managing Director, Wesfarmers Honorary member of the Business Council of Australia Father of a son with type 1 diabetes

Information on directors (continued)

Paul Heath	
Title	Vice-Chair Member of the Board and Investment Committee, JDRF International
Year appointed	2012
Qualifications and experience	BCom, SFFin CEO and Executive Director, Koda Capital Director, JDRF International Member, Endowment Investment Committee of the Benevolent Society Former CEO, JBWere Pty Ltd Father of a daughter with type 1 diabetes

Stuart Green	
Title	Treasurer Chair of the Finance & Audit Committee
Year appointed	2010
Qualifications and experience	B.A. (Hons), MBA, FCA, ACMT Executive Director, Macquarie Group Limited Group Treasurer, Macquarie Group Limited

Kate Aitken	
Title	Director Chair of the Talent Committee Member of the Finance & Audit Committee
Year appointed	2015
Qualifications and experience	Currently, Head of Human Resources, Optus. Former General Manager, Human Resources Westpac Former Managing Director, Chief of Staff and Co-COO Goldman Sachs Australia and New Zealand Advisory Member of Pride in Diversity's Strategic Executive Forum Member of Chief Executive Women and Scholarship Committee Member Board Member, Bus Stop Films

Mike Wilson OAM	
Title	CEO and Managing Director Company Secretary
Year appointed	2011
Qualifications and experience	BSc, BEc (Hons), GAICD CEO, JDRF Australia (since 2004)

Information on directors (continued)

Professor James Best AO	
Title	Director Chair of the Research Committee
Year appointed	2014
Qualifications and experience	MB BS, MD (Melb), Hon MD (St Andrews), FRACP, FRCPath, FRCP (Edin), FRCPI (Hon) Dean, Lee Kong Chian School of Medicine, Singapore Former Professor of Medicine and Head of the School of Medicine, University of Melbourne Former Chair of the Research Committee, National Health and Medical Research Council

Jeffrey Browne	
Title	Director Member of the Advisory Board
Year appointed	2015
Qualifications and experience	BA, LLB Chairman and Non-Executive Director, Walkinshaw Automotive Group Pty Ltd, Moelis Australia Ltd, Former Chairman and Non-Executive Director of carsales.com Ltd Former Director, Sky News Limited Former Managing Director and Director, Nine Network Australia Pty Ltd Father of a daughter and son with type 1 diabetes

Rebecca Davies AO	
Title	Director Member of the Advisory Board Chair of the Research Committee Chancellor, JDRF International Member of the Nominating & Governance Committee, JDRF International
Year appointed	1997 (term expired 10 December 2019)
Qualifications and experience	Member of the JDRF Nominating & Governance Committee LLB (Hons), BEc, FAICD Company Director Former Partner and board member of a major national law firm Director and chair of various companies in the arts, hospitals, medical research and health sectors Member of the Health Innovation Advisory Committee and The Community and Consumer Advisory Group (CCAG) of the National Health and Medical Research Council Former member of the Board and Director emeritus, JDRF International Mother of a daughter with type 1 diabetes

Information on directors (continued)

Selina Lightfoot	
Title	Director Member of the Talent Committee
Year appointed	2016
Qualifications and experience	BA/LLB Non-Executive Director, Hydro Tasmania Non-Executive Director, The Reject Shop Limited Non-Executive Director, Victorian Opera Non-Executive Director, Nuchev Limited Advisory Board Member, TLC Aged Care Pty Ltd Former Partner, Herbert Smith Freehills

Jonathan Salmon	
Title	Director Chair of the Funding Committee Member of the Research Committee
Year appointed	2012
Qualifications and experience	Chair, JDRF Funding Committee Member of the Research Committee MAICD Managing Director, Adscensio Former Managing Director, Viatek Technology Director, Unlisted Marketplace Founder, DNS IT and Hosted IT Father of a son with type 1 diabetes

Tanya Branwhite	
Title	Director
Year appointed	2020
Qualifications and experience	BCom (Hons), Master of Finance, Master of Applied Finance, FAICD Head of Portfolio Construction, TCorp. Former Director Market Insights and Portfolio Implications, Future Fund, and former Executive Director Macro Research Macquarie Group. Served on the International Accounting Standards Board Capital Market's Advisory Committee (CMAC) Former Director of Not for Profit organisations - MS Research Australia, Oz Harvest, the Anika Foundation and Macquarie Group Foundation.

Limitation of members' liability

The company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* as a company limited by guarantee. If the company is wound up, its Constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the company. At 30 June 2020, the number of members was 3,795 (2019: 3,715) and their collective potential liability was $7,590 (2019: $7,430).

Meetings of directors

The numbers of meetings of the company's Board of directors and of each Board committee held during the year ended 30 June 2020, and the numbers of meetings attended by each director were:

	Full meetings of directors		Finance and audit Committee*		Funding Committee**		Research Committee***		Talent Committee****	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Richard Goyder AO	4	5	-	-	-	-	-	-	-	-
Paul Heath	5	5	-	-	-	-	-	-	-	-
Stuart Green	4	5	6	6	-	-	-	-	-	-
Mike Wilson OAM	5	5	-	-	-	-	-	-	-	-
Kate Aitken	4	5	4	6	-	-	-	-	1	1
Professor James Best AO	5	5	-	-	-	-	4	4	-	-
Jeffrey Browne	5	5	-	-	-	-	-	-	-	-
Rebecca Davies AO	2	2	-	-	-	-	3	3	-	-
Selina Lightfoot	5	5	-	-	-	-	-	-	1	1
Jonathan Salmon	5	5	-	-	4	4	4	4	-	-
Tanya Branwhite	-	-	-	-	-	-	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year
* = In addition to the directors listed above, the Finance and Audit Committee includes two independent non-Director members: Boris Musa and David Keenan.
** = In addition to the directors listed above, the Funding Committee includes two independent non-Director members: Matt Rady and Dion Werbeloff.
*** = In addition to the directors listed above, the Research Committee includes an independent non-Director members: Dr John Males.
**** = In addition to the directors listed above, the Talent Committee includes an independent non-Director member: Orla NicDomnhaill.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's independence declaration

The auditor's independence declaration, for the year ended 30 June 2020 as required under subdivision 60C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* has been received and can be found on the following 10, which forms part of the Directors' report.

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

Stuart Green
Treasurer

Mike Wilson OAM
Chief Executive Officer and Managing Director

Sydney
30 October 2020

Auditor's Independence Declaration

As lead auditor for the audit of JDRF Australia for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Rosalie Wilkie
Partner
PricewaterhouseCoopers

Sydney
30 October 2020

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Corporate governance statement

JDRF Australia and the JDRF Australia Board are committed to achieving and demonstrating high standards of corporate governance. JDRF Australia's approach to corporate governance was developed with reference to the recommendations released by the Australian Securities Exchange Corporate Governance Council. The Board continues to review corporate governance practices to ensure they meet the interests of members.

The Directors are responsible to the members for the performance of the company and seek to balance a range of objectives in the best interests of the company as a whole. Their focus is to enhance the interests of members and other key stakeholders and to ensure the company is properly managed.

The relationship between the Board and senior management is critical to JDRF Australia’s long-term success. Day to day management of JDRF Australia's affairs and its implementation of the corporate strategy and policy initiatives are delegated by the Board to the CEO/Managing Director and senior executives.

A description of JDRF Australia's main corporate governance practices is set out below.

The Board of Directors

The Board operates in accordance with the broad principles set out in its Constitution as updated and adopted by the company on 27th November 2014. A Board Charter has been approved by the Directors and aids in guiding the operation and activities of the Board. The responsibilities of the Board as outlined in the Board Charter include the following:

- Assist JDRF Australia to carry out its objects as described in the JDRF Australia Constitution in a manner consistent with the requirements of the Constitution;
- Lead and assist management in setting strategies and plans for carrying out the objects of JDRF Australia, and reviewing progress against these plans;
- Monitor the performance of JDRF Australia;
- Facilitate and support the development of an effective, cohesive, and high performing Board;
- Review and enhance the performance of the Board and Directors over time;
- Set and approve policies for JDRF Australia;
- Ensure the compliance by JDRF Australia with all required Directors responsibilities and relevant laws and regulations;
- Ensure appropriate insurances, internal controls, risk management practices, compliance frameworks and reporting procedures are in place and operating effectively;
- Appoint, consider succession planning for, and periodically review the performance of the CEO;
- Ensure JDRF Australia is well regarded by potential supporters and maintains community respect; and
- Document and report outcomes to stakeholders including statutory requirements.

Directors' independence and conflict of interest

Directors are required to be free from any undisclosed interest, business or other relationship that could or could reasonably be perceived to materially interfere with the Director's ability to act in the best interest of the organisation. Any matters relating to conflict of interest are dealt with in accordance with JDRF Australia's Conflict of Interest Policy, which requires disclosure and regular updating of relevant interests by Directors and appropriate management of any conflicts.

Chairman and Chief Executive Officer/Managing Director

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the company's senior executives. The CEO/Managing Director is responsible for implementing company strategies and policies.

Corporate reporting

The CEO/Managing Director & COO have made the following certifications to the Board:

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards.
- That the above statement is founded on risk management, internal compliance and control processes that implement the policies approved by the Board.

Board committees

The Board has four standing committees to assist in the execution of its duties and to allow detailed consideration of complex issues. These committees are:

- The Finance and Audit Committee
- The Talent Committee
- The Research Committee
- The Funding Committee

The minutes of committee meetings are tabled at the subsequent Board meeting. Other ad-hoc committees of the Board may be formed in response to specific purpose requirements.

Finance and Audit Committee

The Finance and Audit Committee includes the following Directors: Stuart Green (Treasurer and Chair), Kate Aitken and Tanya Branwhite.

In addition to the directors listed above, the Finance and Audit Committee includes two independent non-Director members: Boris Musa and David Keenan.

The Finance and Audit Committee has access to appropriate expertise, operates to the provisions of its Board approved Charter, and all members are financially literate.

External auditors

JDRF Australia appoints external auditors who have demonstrated quality and independence. The performance of the external auditor, currently PwC, is reviewed annually and applications for tender of external audit services are requested if deemed appropriate by the Finance and Audit Committee.

The external auditor is requested to attend the Annual General Meeting and be available to answer member questions about the conduct of the audit and preparation and content of the audit report. The auditors also meet annually with the Finance and Audit Committee without management present.

Risk assessment and management

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. Company policies are designed to ensure that strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the organisation's objectives.

Where risks are identified, mitigating strategies and actions are put in place. Risk reporting has been provided to the Finance and Audit Committee during the 2020 financial year.

JDRF Australia
ABN 40 002 286 553
Financial report - 30 June 2020

Contents

These financial statements are the financial statements of JDRF Australia as an individual entity. The financial statements are presented in Australian dollars ($).

JDRF Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

JDRF Australia
Level 4, 80-84 Chandos Street
St Leonards NSW 2065

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 30 October 2020. The Directors have the power to amend and reissue the financial statements.

	Notes	2020 $	2019 $
Revenue from continuing operations	5	**19,710,997**	22,694,955
Other income/(expenses)		**166,167**	-
Administration expenses		**(185,305)**	(366,041)
Advertising, promotion and printing expenses		**(257,714)**	(241,565)
Communication and technology expenses		**(406,270)**	(422,883)
Depreciation and amortisation expense	6	**(301,522)**	(51,663)
Employee benefits expenses		**(4,230,725)**	(3,805,653)
Education and support expenses		**(208,076)**	(466,086)
Fundraising expenses		**(632,692)**	(1,110,312)
Occupancy expenses		**(58,172)**	(329,067)
Research and other grant expenses		**(12,850,357)**	(16,325,307)
Finance expenses		**(5,890)**	-
Surplus/(deficit) before income tax		**740,441**	(423,622)
Income tax benefit/(expense)		**-**	-
Surplus/(deficit) for the year		**740,441**	(423,622)
Other comprehensive income			
Other comprehensive income/(loss) for the year, net of tax		**-**	-
Total comprehensive income/(loss) for the year		**740,441**	(423,622)

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

	Notes	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**18,106,239**	17,448,729
Trade receivables	8	**105,504**	407,262
Other current assets	9	**361,428**	724,181
Total current assets		**18,573,171**	18,580,172
Non-current assets			
Property, plant and equipment	10	**21,443**	26,709
Right-of-use assets	11	**110,099**	-
Intangible assets	12	**193,001**	245,650
Total non-current assets		**324,543**	272,359
Total assets		**18,897,714**	18,852,531
LIABILITIES			
Current liabilities			
Trade and other payables	13	**10,271,478**	10,295,874
Lease liabilities	11	**85,760**	-
Employee benefit obligations	14	**429,558**	375,570
Total current liabilities		**10,786,796**	10,671,444
Non-current liabilities			
Trade and other payables	13	**1,356,633**	2,255,522
Lease liabilities	11	**19,043**	-
Employee benefit obligations	14	**45,721**	58,357
Total non-current liabilities		**1,421,397**	2,313,879
Total liabilities		**12,208,193**	12,985,323
Net assets		**6,689,521**	5,867,208
FUNDS			
Retained earnings		**6,689,521**	5,867,208
Total funds		**6,689,521**	5,867,208

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

	Accumulated funds $	Total funds $
Balance at 1 July 2018	6,290,830	6,290,830
Deficit for the year	(423,622)	(423,622)
Total comprehensive loss for the year	**(423,622)**	**(423,622)**
Balance at 30 June 2019	**5,867,208**	**5,867,208**
Balance at 1 July 2019	5,867,208	5,867,208
Adjustment on adoption of AASB 1058	81,872	81,872
Restated total funds at 1 July 2019	**5,949,080**	**5,949,080**
Surplus for the year	740,441	740,441
Total comprehensive income for the year	**740,441**	**740,441**
Balance at 30 June 2020	**6,689,521**	**6,689,521**

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

JDRF Australia
Statement of cash flows
For the year ended 30 June 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**6,776,779**	7,000,752
Payments to suppliers and employees (inclusive of GST)		**(5,260,980)**	(6,349,126)
		1,515,799	651,626
Government and partnership grants received		**11,942,218**	6,186,131
Grants and travel awards paid		**(13,058,434)**	(16,791,393)
Other income		**233,836**	16,988
Interest received		**278,882**	711,624
Interest paid		**(5,890)**	-
Net cash inflow/(outflow) from operating activities		**906,411**	(9,225,024)
Cash flows from investing activities			
Payments for property, plant and equipment		**(16,329)**	(16,687)
Payments for intangible assets		**-**	(263,248)
Net cash outflow from investing activities		**(16,329)**	(279,935)
Cash flows from financing activities			
Principal elements of lease payments		**(232,572)**	-
Net cash (outflow) from financing activities		**(232,572)**	-
Net increase/(decrease) in cash and cash equivalents		**657,510**	(9,504,959)
Cash and cash equivalents at the beginning of the financial year		**17,448,729**	26,953,688
Cash and cash equivalents at end of year	7	**18,106,239**	17,448,729

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

Contents of the notes to the financial statements

1 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for JDRF Australia.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. JDRF Australia is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of JDRF Australia comply with Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for profits Commission Act 2012*, the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2008 (NSW)*. They also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost and accrual basis except for cash flow information.

(iii) New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2019:

- AASB 15 *Revenue from contracts with customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2018-2 *Amendments to Australian Accounting Standards - Plan Amendment, Curtailment or Settlement*
- AASB 2018-4 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*
- AASB 2018-8 *Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities*

The company had to change its accounting policies as a result of adopting AASB 16, AASB 15, AASB 1058 and AASB 2018-8. The company elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 July 2019. This is disclosed in note 2. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars ($), which is JDRF Australia's functional and presentation currency.

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of comprehensive income.

All other foreign exchange gains and losses are presented on a net basis within other income/(expenses)

(c) Revenue recognition

The company has applied AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers* which is effective 1 July 2019.

The company recognises income from its main revenue/income streams, as listed below :

• Fundraising revenue
• Government and partnership grants
• Other revenue.

When the company receives fundraising revenue, government and partnership grants, it performs an assessment to determine if the contract is ‘enforceable’ and contains ‘sufficiently specific’ performance obligations. In cases where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Otherwise, the arrangements are accounted for under AASB 1058.

Income recognized under AASB 1058 *Income of Not-for-Profit Entities*

For those grants which do not meet the criteria for AASB 15, the company recognises an asset when the grants received or receivable, and recognises income immediately for the excess of the initial carrying amount of an asset over the related amount recognised in accordance with the other Australian Accounting standards. A financial liability is recognised when the company has contractual obligation to repay the unspent fund upon the grantor’s request and the company has no discretion to avoid the payment.

Fundraising revenue and partnerships are accounted under AASB 1058, (where the contract is not ‘enforceable’ or the performance obligations are not ‘sufficiently specific’), and are subject to immediate income recognition, subject to any financial liabilities within the contract.

Income received from fundraising events organised and run by third parties for the benefit of JDRF Australia is recorded as net donations to JDRF Australia.

Revenue recognition under AASB 15 *Revenue from Contracts with Customers*

AASB 15 requires revenue to be recognised when (or as) the performance obligations are satisfied. Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then revenue is recognized when each performance obligation is satisfied. Grants received from the government upon provision of insulin pumps to eligible patients are recognized under AASB 15

Within grant agreements there may be some performance obligations which are completed at a point in time and others which have continuous transfer of control over the life of the contract. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone prices

Where control is transferred over time, the input method, being the costs incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

When there is a difference between the timing of consideration received (or the consideration is due) and the revenue recognized, it will result in the recognition of a contract asset or contract liability.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

Supply of insulin pumps to patients

Under the contract with the government, the company supplies insulin pumps to eligible patients. There is a single performance obligation which is completed over a period of time where a continuous transfer of control takes place over the life of the contract. In line with AASB 15 revenue is recognized over a period of time.

None of the revenue streams of the company recognized under AASB 15, have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Donations in-kind

Donations in-kind of fixed assets or other services are recorded as revenue where it is probable that economic benefits will be generated, the amount of the contribution can be measured reliably, where control of the contribution or the right to receive the contribution has been gained, and where cost would otherwise have been planned and expected to be incurred by the organisation in gaining access to the asset or service. Other donations in kind, which are not of a material nature or which do not offset otherwise planned expenditure, are not recorded in the financial statements.

Interest income

Interest income is recognised using the effective interest method.

(d) Income tax

JDRF Australia is a not-for-profit exempt institution from income tax under Division 50 of the *Income Tax Assessment Act 1997*. JDRF Australia has deductible gift recipient (DGR) status.

(e) Leases

As explained in note 1(a) the company has changed its accounting policy for leases where the company is the lessee. The impact of the change is disclosed in note 2.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the company under residual value guarantees,

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

1 Summary of significant accounting policies (continued)

(e) Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by JDRF Australia, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and property leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options

Extension and termination options are included in a number of property leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts.

(g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

1 Summary of significant accounting policies (continued)

(h) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

• Leasehold improvements	Life of the lease
• Equipment	20%
• Computer equipment	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(i) Intangible assets

(i) Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of 5 years.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid and Government & Partnership grants receipts not recognised in the statement of comprehensive income. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

1 Summary of significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) Other long-term employee benefit obligations

The company also has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

Contributions to the defined contribution section of the company's superannuation plan and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

2 Changes in accounting policies

This note explains the impact of the adoption of AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts* and AASB 16 *Leases* on the company's financial statements.

(a) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 introduced major changes to the income recognition by public and private sector not-for-profit (NFP) entities. Rather than accounting for all contribution transactions under AASB 1004 *Contributions*, NFPs determine whether a transaction is a genuine donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15 *Revenue from Contracts with Customers*). Implementation guidance has been added to AASB 15 to assist with this determination.

Under AASB 15 revenue is recognised as the performance obligations under the contract are satisfied, potentially resulting in a deferral of income as compared to the current accounting under AASB 1004.

2 Changes in accounting policies (continued)

(a) AASB 1058 Income of Not-for-Profit Entities (continued)

The adoption of AASB 1058 *Income of Not-for-Profit Entities* from 1 July 2019 has resulted in changes in accounting policies and adjustment to the amounts recognised in the financial statements. The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

	30 June 2019 $	Increase/ (Decrease) $	1 July 2019 $
Balance sheet (extract)			
Trade and other payables	-	(81,872)	(81,872)
Funds			
Retained earnings	5,867,208	81,872	5,949,080

(b) AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the concept of control has replaced the previous criteria of the transfer of risks and rewards in order for revenue to be recognised.

A new five-step process is applied before revenue is recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

The company has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2019. This has resulted in changes to the accounting policies for revenue from supply of insulin pumps. The adoption of AASB 15 has not resulted in any changes as to how revenue is recognised by the company.

(c) AASB 16 Leases

As indicated in note 1(a) above, the company has adopted AASB 16 *Leases* retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting year, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 1(e).

On adoption of AASB 16, the company recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 July 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 2.74%.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

2 Changes in accounting policies (continued)

(c) AASB 16 Leases (continued)

(i) Practical expedients applied

In applying AASB 16 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics,
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 July 2019,
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases,
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease.*

(ii) Measurement of lease liabilities

	2020 $
Operating lease commitments disclosed as at 30 June 2019	281,626
(Less): short-term leases not recognised as a liability	(731)
Add: adjustments as a result of treatment of extension options	36,842
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(6,102)
Lease liability recognised as at 1 July 2019	**311,635**
Of which are:	
Current lease liabilities	224,978
Non-current lease liabilities	86,657
	311,635

3 Financial risk management

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the company's functional currency.

(ii) Cash flow and fair value interest rate risk

The company's exposure to interest rate risk arises predominantly from assets bearing variable interest rates, which includes cash balances held in banks. As interest income does not make up the main source of revenue, the management expects no significant interest rate risk on these balances.

Trade and other payables and trade and other receivables are not impacted by movements in interest rates.

Management believes that the company's overall exposure to interest rate movements is not material.

4 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Revenue

	2020 $	2019 $
Fundraising revenue		
OneWalk	**1,312,991**	1,162,195
Merchandising campaign	**-**	344,803
Gala dinners	**228,750**	1,845,712
OneRide	**68,438**	2,000
Bequest revenue	**154,016**	67,938
Community fundraising	**738,307**	1,597,696
Corporate partnerships	**447,000**	276,128
Donations	**3,336,195**	1,434,232
Trusts and Foundations	**161,000**	208,000
Total fundraising revenue	**6,446,697**	6,938,704
Government and partnership grants		
Insulin Pump Program	**1,534,632**	1,533,675
Clinical Research Network	**8,104,752**	9,050,691
Partnerships	**3,065,478**	4,542,471
Other Govt. programs and support	**68,697**	62,847
Total government and partnership grants	**12,773,559**	15,189,684
Other revenue		
Interest	**256,904**	549,579
Membership fees	**1,671**	2,641
Other revenue	**232,166**	14,347
Total other revenue	**490,741**	566,567
	19,710,997	22,694,955

COVID-19 necessitated an adjustment of fundraising plans and activities, generating a negative impact on income from Gala dinners and Community Fundraising partly offset by an increase in Donations, supported by digital marketing activity.

6 Expenses

	2020 **$**	2019 $
Depreciation		
Right-of-use assets	**227,278**	-
Furniture, fittings and equipment	**14,271**	23,515
Plant and equipment	**7,324**	7,883
	248,873	31,398
Amortisation		
Software	**52,649**	20,265
	52,649	20,265
Total depreciation and amortisation	**301,522**	51,663

7 Cash and cash equivalents

	2020 **$**	2019 $
Cash at bank and in hand	**6,193,882**	2,093,729
Deposits at call	**11,912,357**	15,355,000
	18,106,239	17,448,729

8 Trade receivables

	2020			2019		
	Current **$**	**Non-current** **$**	**Total** **$**	Current $	Non-current $	Total $
Accrued income	**-**	**-**	**-**	259,035	-	259,035
Other receivables	**105,504**	**-**	**105,504**	148,227	-	148,227
	105,504	**-**	**105,504**	407,262	-	407,262

9 Other current assets

	2020 $	2019 $
Prepayments	**61,898**	90,223
GST receivables	**276,519**	588,969
Interest receivables	**23,011**	44,989
	361,428	724,181

10 Property, plant and equipment

	Plant and equipment $	**Furniture, fittings and equipment** $	**Leasehold improvements** $	**Total** $
At 1 July 2019				
Cost	55,611	286,499	319,316	661,426
Accumulated depreciation	(45,511)	(269,890)	(319,316)	(634,717)
Net book amount	10,100	16,609	-	26,709
Year ended 30 June 2020				
Opening net book amount	10,100	16,609	-	26,709
Additions	-	16,329	-	16,329
Depreciation charge	(7,324)	(14,271)	-	(21,595)
Closing net book amount	2,776	18,667	-	21,443
At 30 June 2020				
Cost	55,611	302,828	319,316	677,755
Accumulated depreciation	(52,835)	(284,161)	(319,316)	(656,312)
Net book amount	2,776	18,667	-	21,443

11 Leases

This note provides information for leases where the company is a lessee.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	30 June 2020 **$**	1 July 2019 $
Right-of-use assets		
Office premises	**110,099**	311,635
	110,099	311,635

	30 June 2020 **$**	1 July 2019 $
Lease liabilities		
Current	**85,760**	224,978
Non-current	**19,043**	86,657
	104,803	311,635

Additions to the right-of-use assets during the 2020 financial year were $32,613.

(b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2020 **$**	2019 $
Depreciation charge of right-of-use assets		
Office premises	**227,278**	-
	227,278	-

The total cash outflow for leases in 2020 was $238,462.

12 Intangible assets

	Software **$**
At 30 June 2019	
Cost	627,129
Accumulated amortisation and impairment	(381,479)
Net book amount	245,650

12 Intangible assets (continued)

	Software $
Year ended 30 June 2020	
Opening net book amount	245,650
Amortisation charge	(52,649)
Closing net book amount	193,001
At 30 June 2020	
Cost	627,129
Accumulated amortisation and impairment	(434,128)
Net book amount	193,001

13 Trade and other payables

	2020			2019		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Trade payables	**81,141**	**-**	**81,141**	196,114	-	196,114
Government and partnership grants	**9,871,138**	**1,356,633**	**11,227,771**	9,803,590	2,255,522	12,059,112
Other payables	**319,199**	**-**	**319,199**	296,170	-	296,170
	10,271,478	**1,356,633**	**11,628,111**	10,295,874	2,255,522	12,551,396

14 Employee benefit obligations

	2020			2019		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Leave obligations	**429,558**	**45,721**	**475,279**	375,570	58,357	433,927

(a) Leave obligations

The leave obligations cover the company's liability for long service leave and annual leave.

15 Accumulated funds

	2020 $	2019 $
Balance 1 July	**5,867,208**	6,290,830
Surplus/(deficit) for the year	**740,441**	(423,622)
Adoption of new accounting standard*	**81,872**	-
Balance 30 June	**6,689,521**	5,867,208

* See note 2 for details about the impact from adoption of new accounting standard.

16 Limitation of members' liability

The company is incorporated as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed $2 per member. At 30 June 2020, the number of members of this company was 3,795 (2019: 3,715).

17 Contingent liabilities and contingent assets

The company had no contingent liabilities or contingent assets at 30 June 2020 (2019: nil).

18 Commitments

(a) Lease commitments: company as lessee

(i) Non-cancellable operating leases

From 1 July 2019, the company has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 2 for further information.

	2020 **$**	2019 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**4,698**	217,430
Later than one year but not later than five years	**-**	64,196
	4,698	281,626

19 Related party transactions

(a) Key management personnel compensation

	2020 **$**	2019 $
Total key management personnel compensation	**2,222,203**	1,983,821

No remuneration was received or is receivable by non-executive Directors. No superannuation contributions were paid or are payable in respect of non-executive Directors.

Increase in Key Management Personnel compensation is due to vacancies which were filled during the year along with redundancy payments.

(b) Transactions with other related parties

(i) Other transactions of directors and director-related entities

During the year, JDRF International (an affiliate) compensated JDRF Australia for work performed by staff on international projects.

20 COVID-19 impact

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the company has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include disruptions to the supply chain, availability of employees and changes in customer demand. However, as at the date these financial statements were authorised, the company was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19.

21 Events occurring after the reporting period

Except as noted in note 20, no other matter or circumstance has occurred subsequent to year end 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 or economic entity in subsequent financial years.

22 Information and declaration to be furnished under the Charitable Fundraising Act 1991 (NSW)

(a) Fundraising income and expenditure

	2020 $	2019 $
Gross proceeds from fundraising	**6,446,697**	6,938,704
Less: Expenses associated directly with undertaking fundraising activity	**(817,625)**	(1,110,312)
Net fundraising income	**5,629,072**	5,828,392
Less: Indirect fundraising expenses	**(1,082,439)**	(2,191,457)
Net surplus from fundraising	**4,546,633**	3,636,935

(b) Key fundraising ratios

	2020 $	2019 $
Indirect fundraising expenses (A)	**1,082,439**	2,191,457
Net proceeds from fundraising (B)	**5,629,072**	5,828,392
(A) divided by (B)	19%	38%
Total cost of fundraising (C)	**1,900,065**	3,301,769
Gross proceeds from fundraising (D)	**6,446,697**	6,938,704
(C) divided by (D)	29%	48%
Net surplus from fundraising (E)	**4,546,633**	3,636,935
Gross proceeds from fundraising (F)	**6,446,697**	6,938,704
(E) divided by (F)	71%	52%

22 Information and declaration to be furnished under the Charitable Fundraising Act 1991 (NSW) (continued)

(c) Fundraising income activities

Direct expenditures includes all the costs for staging the One Walk, One Ride and other fundraising activities. Indirect fundraising expenses includes overheads such as premises and administrative staff costs.

The net proceeds from fundraising are being used for current and future research grants, to offer practical support and education to families of people with type 1 diabetes, and to support the Company's ongoing operation.

Declaration made in accordance with the Australian Charities and Not-for-profits Commission Regulation 2013

The directors of JDRF declare that:

(a) The financial statement, which comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australia Charities and Non-for-profits Commission Act 2012* and:

(i) complying with Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profit Commission Regulation 2013*; and

(ii) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and

(b) In the opinion of the directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Declaration made in accordance with the *Charitable Fundraising Act 1991*

In the opinion of the directors of JDRF:

(a) The financial statement and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 30 June 2020; and

(b) The statement of financial position as at 30 June 2020 give a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the organisation; and

(c) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, the conditions attached to the authority to fundraise have been complied with by the organisation and

(d) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the directors.

Stuart Green
Treasurer

Mike Wilson OAM
Chief Executive Officer and Managing Director

Sydney
30 October 2020

Independent auditor's report

To the members of JDRF Australia

Our opinion

In our opinion:

The accompanying financial report of JDRF Australia (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in funds for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, 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.

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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 that we 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 the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

PricewaterhouseCoopers

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Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
30 October 2020