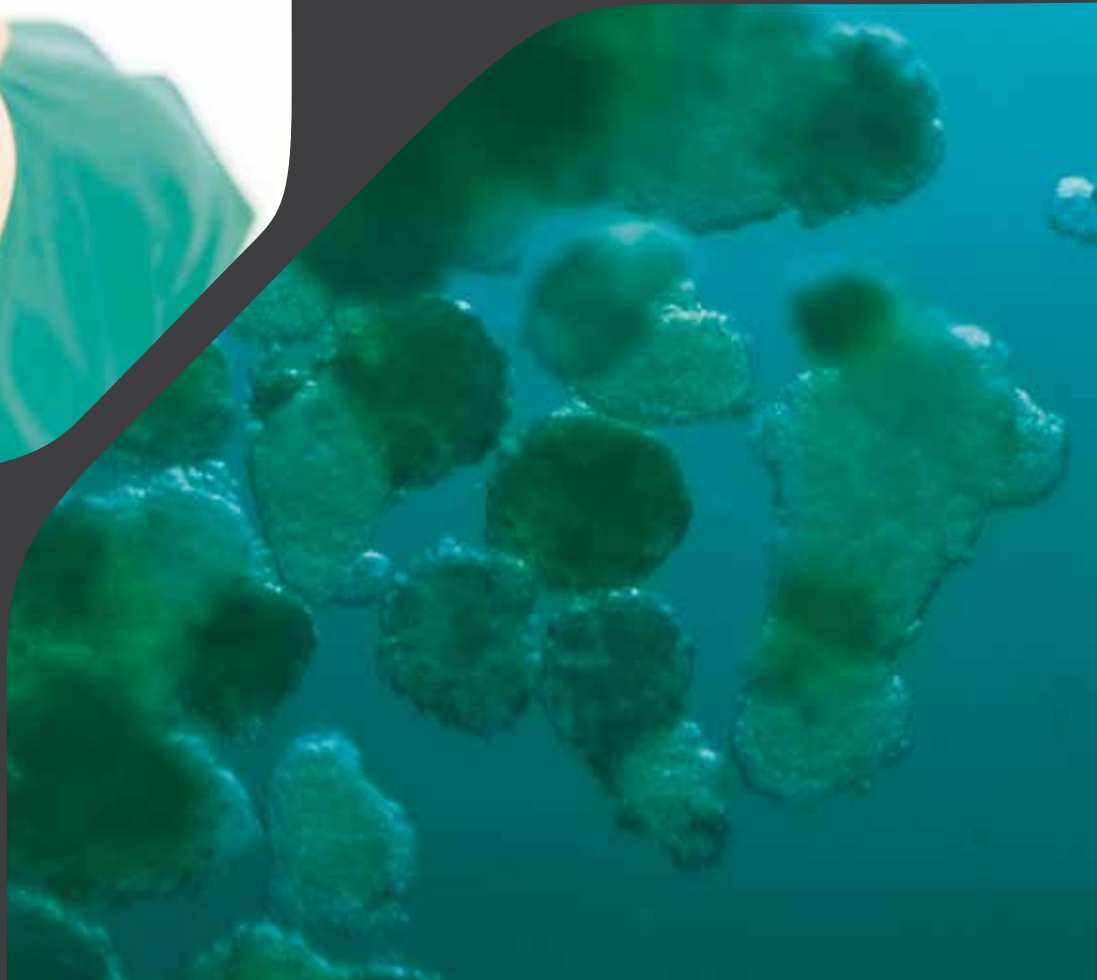


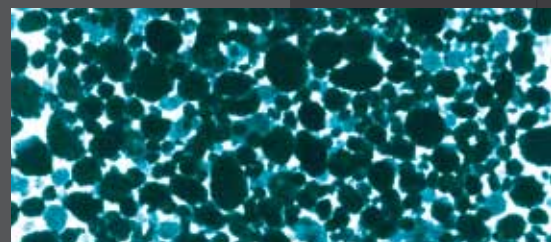
# Bringing Research to Life

ANNUAL REPORT 2008/09



# OUR MISSION

The enduring mission of the Juvenile Diabetes Research Foundation is to find a cure for type 1 diabetes and its complications through the support of research.



# BRINGING RESEARCH TO LIFE

JDRF made significant progress towards our mission in 2008/09, translating an unprecedented amount of laboratory research into clinical trials, expanding research efforts into exciting new areas and driving access to new treatments and technologies.

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## Acknowledgements

JDRF thanks Dr Brad Marsh from the University of Queensland, and Drs Shane Grey and Will Hughes from the Garvan Institute of Medical Research for supplying the science images.

# 2008/09 HIGHLIGHTS

## HELPING AUSTRALIAN RESEARCHERS DELIVER RESULTS

### Research in focus

JDRF invested over \$14 million in 2008/09 supporting 63 type 1 diabetes research projects around Australia. The year's highlights include:

- Researchers at the Garvan Institute have identified a promising potential vaccine for type 1 diabetes, using a compound already approved for use in other diseases.
- A major JDRF study has found that even people with good blood glucose control can benefit from using continuous glucose monitoring (CGM) devices.
- A JDRF industry partner has entered into an agreement to commercialise a new drug designed to reverse the autoimmune process that causes type 1 diabetes.
- JDRF researchers in the US have shown that two common cancer drugs can block and reverse type 1 diabetes in mice.
- JDRF researchers have discovered more about the complex interactions of germs and type 1 diabetes, shedding more light on the "hygiene hypothesis".

### Achieving together

2008/09 delivered some important milestones for JDRF in Australia.

- In March, 102 of Australia's best diabetes scientists gathered together at the Australian Type 1 Diabetes Research Directions Workshop. The workshop was the first step towards ensuring better support for Australian research and researchers.
- Ten people have now successfully received islet transplants through the Australian Islet Transplantation Program managed by JDRF.
- The type 1 diabetes Insulin Pump Program is providing Australia's first government subsidies for insulin pumps, which are proven to reduce the risk of complications. By administering this program, JDRF has helped over 30 children to access the benefits of this technology.
- Kids in the House NSW brought 40 young people to Parliament House in Sydney in November, meeting with more than 20 politicians including the Premier.
- Boral won the 2008 Freedom Award, which recognises the greatest annual contribution

to fundraising programs from a single supporter. This caps an extraordinary eight year partnership that has seen over \$2 million raised.

- The Walk to Cure Diabetes is one of Australia's longest running charity events and with over 60,000 participants it is a powerful celebration of hope for a cure. In 2008 there were more than 20 Walks across the country, raising more than \$2 million.
- Generous contributions from key donors and income from bequests bestowed \$1.15 million, demonstrating the real impact that individuals can have on diabetes research.



## CHAIRMAN'S MESSAGE

The support and leadership of JDRF has increased the pace of type 1 diabetes research discovery.

This year, JDRF-funded research has produced exciting progress - generating new treatments, delivering access to better technologies and establishing effective preventative strategies.

This is the reason that JDRF exists. JDRF is also evolving to increase our ability to fund, manage, influence, and support type 1 diabetes research in Australia. To do this we are working ever more closely with other funding bodies, Government, and members of the type 1 diabetes community, to whom this progress gives great hope.

This report provides an excellent snapshot of the progress being made towards these goals. As someone who has a close family member with type 1 diabetes, I am incredibly excited about the progress to date and look forward to seeing what the next few years will bring.

Of course, JDRF could not achieve any of this without the tireless support of volunteers who give generously of their time, energy, and resources to support JDRF and the type 1 diabetes community.

I wish to particularly thank the JDRF Board of Directors, Advisory Board and Lay and Professional Advisory Panels as well as state-based Corporate and Family Committees and Chapters. In collaboration with staff, JDRF Australia has safely navigated through what has been a challenging economic environment for many other charitable organisations.

I would also like to take this opportunity to thank all of the individuals and organisations who have contributed to the research achievements outlined in this report through donations, gifts, corporate sponsorship or pro bono support.

Finally, I would like to thank those who work at the frontline of medical research - the often unsung scientific heroes who dedicate their careers to finding a cure for type 1 diabetes and its complications.

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Stephen Higgs, Chairman



### In memoriam

#### Mr Greg Gardiner, Former President of JDRF Australia

Greg Gardiner joined the Board of JDRF Australia in September 1997 and was appointed President in 1998, a position he held until February 2002. Under his leadership, JDRF doubled its fundraising revenue and established a number of important corporate partnerships.

The period was significant for JDRF in that it saw the co-founding of the Glycemic Index Foundation, the formation of an important research partnership with the Australian Government's National Health and Medical Research Council that still exists today, as well as the expansion of advocacy activity with government in Australia. During his Presidency, JDRF grew fundraising activities such as the Walk to Cure Diabetes while also diversifying into new events such as an early version of the Ride to Cure Diabetes.

JDRF's Chief Executive from 1997-2000, Karen Barfoot, said "Greg gave his time and support generously to JDRF even as he managed the demands of several commercial Boards, some of which he also chaired. His positive outlook and pragmatic approach defined his leadership style. A charismatic Chairman, Greg often reinforced his wise counsel with an amusing anecdote drawn from his long and successful career."

Mr Gardiner's distinguished career in business was partly defined by his appointment as chief executive of the Fairfax media group at the young age of 37. He died in May 2009 after a battle with cancer. The JDRF family extends deepest sympathies to his wife and children.



## MESSAGE FROM THE CEO

Australian scientists are delivering world-class breakthroughs in type 1 diabetes research and JDRF Australia is playing a leading role in funding, managing, and influencing this progress.

JDRF is playing a more active role each year in directly funding Australian research, and working closely with the research community, other funding bodies and Governments to increase the overall volume and impact of research conducted in Australia.

Financially, the last year saw JDRF deliver growth in fundraising income in the face of a rapidly changing global environment. Of the \$14 million invested by JDRF in Australian diabetes research, 93% was generated locally – a phenomenal achievement.

Much of this funding came from our enduring and successful fundraising events like the Walk and Ride to Cure Diabetes and Jelly Baby Month. The exciting new Spin to Cure Diabetes event was rolled out nationally with a great response. JDRF staff have also partnered with local volunteers and supporters to coordinate highly successful gala balls, community fundraising events, and family days.

Long-term support for high calibre research is critical, and I am pleased to acknowledge three enduring partnerships in particular with corporate supporters. Boral was again awarded the JDRF Freedom Award in 2008 for highest corporate fundraiser. Our partnership with the Macquarie Group and the Macquarie Group Foundation helped deliver Australia's first Type 1 Diabetes Research Directions Workshop, a milestone for JDRF Australia. And our relationship with Westpac entered a second decade with a renewed focus on organisational mentoring and equipping JDRF to be a better business and a better non-profit.

JDRF continues to work in partnership with the Australian Government on two programs important to the type 1 diabetes community. Both the Islet Transplantation Program and the Insulin Pump Program are having a huge impact on the lives of people with type 1 diabetes, with this year seeing more transplant recipients as well as over 30 pumps distributed to children with diabetes.

On top of locally generated research support, Australian scientists also attract the highest per capita allocation of competitive research investment by JDRF International, a direct reflection on the quality of Australian diabetes research. With this in mind, I encourage you to read the research outcomes in the following pages and absorb their significance.

With amazing breakthroughs occurring every week our goal of finding a cure for type 1 diabetes and its complications is coming ever closer to being achieved.

A handwritten signature in blue ink, reading "Mike Wilson". The signature is fluid and cursive, with the first name "Mike" and last name "Wilson" clearly distinguishable.

Mike Wilson, CEO

# TYPE 1 DIABETES - THE FACTS

## Every year more Australians are diagnosed with type 1 diabetes

- Approximately 140,000 Australian children and adults have type 1 diabetes.
- Recent research shows that the rate of diagnosis is increasing by 3% a year.

## The cause of type 1 diabetes is not known

- The causes of type 1 diabetes are complex and not fully understood.
- Researchers recognise that both genes and environmental triggers play a role.
- It is known that sugar intake and everyday diet do not directly cause type 1 diabetes.
- Type 1 diabetes is an autoimmune disease - the body mistakenly attacks and destroys the cells in the pancreas that produce insulin.

## Type 1 diabetes is a serious lifelong disease

- The onset of type 1 diabetes usually occurs in childhood but it is a lifelong disease - children don't grow out of it.
- Insulin keeps people with type 1 diabetes alive but there is no cure - yet.
- People with type 1 diabetes have to inject themselves with insulin up to six times a day or receive a continuous infusion of insulin through a pump, as well as check their blood sugar up to eight times every single day, just to stay alive.
- Type 1 diabetes is associated with serious health complications such as heart disease, kidney failure, blindness, stroke and amputation, as well as reduced life expectancy.

## Type 1 diabetes is not well understood

- JDRF research shows that people affected by type 1 diabetes are deeply concerned that the disease is misunderstood.
- Nearly half of all parents have been made to feel that their child's disease was their fault.
- A quarter of adult respondents and one in ten children have been clinically diagnosed with depression or anxiety during their time living with the disease.

**MEDICAL RESEARCH IS THE ONLY  
HOPE FOR A CURE FOR TYPE 1 DIABETES**



# JDRF RESEARCH STRATEGY

Since JDRF was founded in 1970 in the US and 1982 in Australia its mission has been constant: to find a cure for type 1 diabetes and its complications through the support of research.

In 2008/09 JDRF invested over \$100 million into type 1 diabetes research, including \$14 million into Australian research projects. A significant proportion of this was dedicated to new scientific programs with a focus on innovative, multi-disciplinary research.

As the largest non-government supporter of type 1 diabetes research in the world, JDRF is increasing the pace of progress through an active and dynamic approach to research management. The separate scientific expert and lay-person review panels

that together allocate JDRF's investment in research are focused on finding and filling the gaps in type 1 diabetes research globally.

Different research support programs have been established for researchers at different stages of their careers, all the way from students to experienced scientists. Funding is allocated to researchers with innovative ideas that may not receive support

from other agencies. JDRF has also developed partnerships with industry to ensure smooth transitions between basic research and clinical outcomes. Finally, there is significant ongoing support for clinical trials and the development of new medical technologies.



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## TYPE 1 DIABETES AGENDA A CLEAR VISION FOR THE FUTURE

Jointly developed by the Australian diabetes research community, a Type 1 Diabetes Agenda for Australia will be a single, shared and globally relevant research blueprint for Australia's role in the search for a cure for type 1 diabetes.

This broad-based national strategy will outline key projects and programs as well as the optimal policy framework to support its realisation.

Specifically, the Agenda will propose shared goals, identify and support new avenues for cross-disciplinary research collaboration, and provide the basis for increased investment into Australian type 1 diabetes research.

As the first step in the process, JDRF hosted the first Australian Type 1 Diabetes Research

Directions Workshop in March 2009. Over 100 of Australia's best type 1 diabetes researchers gathered together to discuss and evaluate the Australian type 1 diabetes research landscape with a view to consolidate expertise, enhance collaboration and accelerate research progress.

## FIVE PATHWAYS TO A CURE

The focus of JDRF research falls within five clearly defined and complementary research pathways. These pathways interlink to address the causes of type 1 diabetes whilst identifying methods of treating, managing and preventing the condition. They are designed to guide us quickly and efficiently towards a better life and, ultimately, a cure for people with type 1 diabetes. Recent research breakthroughs within each pathway are outlined in the following pages.

# 1

## RESEARCH PATHWAYS

### REGENERATION

Research in regeneration focuses on triggering the body to regrow the insulin-producing beta cells that have been mistakenly destroyed by the body's immune system, thus circumventing the need for donor tissue or transplants. Two lines of approach are being considered; spurring the body to copy existing functioning beta cells and coaxing the pancreas to create new ones.

#### What has been achieved this year?

- Canadian researchers used an animal model to show that treatment with a special therapy of gastrin and glucagon-like peptide reduced the autoimmune attack and triggered the development of new beta cells in the pancreas. Following these findings, JDRF has formed a partnership with the start-up pharmaceutical company Transition Therapeutics to develop and commercialise this therapy into human trials.
- Work conducted at the Joslin Diabetes Centre suggests that a progenitor, or stem cell residing in the pancreas is able to grow into a beta cell. Further work is underway to find the exact location of these cells and to identify a safe mechanism for triggering their action.
- JDRF has awarded a US\$3 million grant to researchers from Harvard and MIT who are taking an interdisciplinary approach to research on regrowing insulin-producing beta cells. Researchers from the fields of genome biology and chemical biology will work together to seek new ways to grow beta cells.
- JDRF-funded researchers from the University of Pittsburgh completed a comprehensive map of the factors involved with beta cell replication, and this map has identified a protein that drives regeneration of beta cells. Called cdk6, the protein triggered beta cell replication in human islets and corrected diabetes when transplanted into diabetic mice.

#### What does this mean?

These findings provide encouraging evidence that it is possible to harness the body's natural regenerative processes by growing (or regrowing) insulin-producing beta cells within the body. In conjunction with knowledge gained in the other research pathways, this process may ultimately avoid the challenges of cell rejection that are currently associated with using cells taken from other sources. Research is now progressing quickly towards taking these findings into human clinical trials and onwards into clinical reality.

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#### Driving innovation and discovery

JDRF and the Genomics Institute of the Novartis Research Foundation

JDRF has formed an exciting partnership with the Genomics Institute of the Novartis Research Foundation, known as GNF, to develop regenerative therapies for type 1 diabetes. The GNF was founded in 1999 and has built an impressive track record of translating laboratory research into clinical outcomes. The innovative four-year partnership - the largest in the history of JDRF - aims to take a number of promising new treatments from the laboratory to human trials and ultimately, clinical practice. The initial focus is the development of new techniques and therapies to restore insulin production by regrowing and protecting beta cells in the pancreas.



# 2

## RESEARCH PATHWAYS

### REPLACEMENT

The replacement pathway focuses on replacing the insulin-producing beta cells with working beta cells from either donated pancreas tissue, tissue from other parts of the body or cells grown in the lab. JDRF helped pioneer this field through ongoing support for islet transplantation, and is now leading the way in the development of other cellular therapies.

#### What has been achieved this year?

- Researchers have identified a molecule that helps to drive embryonic stem cells to become beta cells with a high level of success, purity and efficiency.
- Two groups developed techniques for preventing the rejection of transplanted islets without the need for toxic immunosuppression therapy. These studies were carried out in mice and hold great promise for human use.
- US researchers converted non insulin-producing pancreas cells into beta cells by using the common cold virus to genetically manipulate the inner workings of the cell.
- Ten people in Australia have successfully received islet transplants through the Australian Islet Transplantation Program - leaving them free from the trauma of hypoglycaemic unawareness and resulting in dramatically reduced insulin requirements.
- Adult stem cells derived from a number of sources including the pancreas, skin, liver, gut, bone marrow and umbilical cord blood have been successfully converted into insulin-producing beta cells in the laboratory.
- A number of research groups are focused on maximising the number and lifespan of transplanted human islet cells by investigating adjustments to the transplantation protocol. They are also investigating the potential use of pig islet cells as an alternative to the limited human supply.

#### What does this mean?

This flood of successful research has shown that it is possible to efficiently obtain working insulin-producing cells from a number of different sources. The next step is to upscale these processes to produce larger numbers of cells suitable for human use. Success with refining the human islet transplantation technique means that the procedure is a practical treatment option for people living with severe type 1 diabetes complications and hypoglycaemic unawareness.



#### Visualising the human beta cell

Dr Brad Marsh, University of Queensland

Dr Marsh and his team are focused on understanding how beta cells work by peeping inside the tiny cells and taking 'snapshots' of the insulin-producing machinery within. They do this by snap freezing an islet, capturing an exact image of both the beta cells and the surrounding environment at a certain point in time. Using this technique in conjunction with specialised microscopes they have been able to observe the insulin-production line in healthy cells, to investigate how the machinery might differ in pre-diabetic cells and identify what could cause machinery breakdown. One ground-breaking outcome of this research has been to identify that diabetes may be caused

by a breakdown in the part of the machinery that carries the insulin out of the cell. Using their technique, the researchers could see that the distribution part of the machine - the Golgi apparatus - undergoes dramatic and rapid changes in its organisation to "fast track" the packaging and delivery of insulin to the blood stream. Dr Marsh and his team believe that people with diabetes may have defects in this machinery, causing the machinery to malfunction and the cells to become stressed and die. This research team is now also using these techniques to see how virus infection affects the insulin production line.

# 3

## RESEARCH PATHWAYS

### AUTOIMMUNITY

This research program aims to prevent, stop and reverse the autoimmune process that kills off the insulin-producing beta cells and causes the onset of type 1 diabetes. Scientists don't know exactly what triggers the autoimmune attack but believe it is a combination of genetic and environmental factors.

#### What has been achieved this year?

- US researchers discovered that two common cancer treatments - Gleevec and Sutent - are successful in preventing and reversing type 1 diabetes in mice. Research will now be taken to clinical trials to ensure safety.
- Scientists found that low levels of interleukin-2 - a protein involved with regulating immune cells - may be responsible for islet destruction in type 1 diabetes. This raises the possibility that stimulating parts of the immune system rather than suppressing it may be an appropriate treatment strategy.
- The international Type 1 Diabetes Consortium and other groups discovered new genes connected to type 1 diabetes and new genetic links between type 1 diabetes and other autoimmune diseases such as coeliac disease and multiple sclerosis.
- A UK study provided strong evidence to support a role for enterovirus infection - a common tummy virus - in triggering type 1 diabetes.
- Funded by the Australian Diabetes Vaccine Development Centre, the first human trial of proinsulin peptide showed that it is a safe and promising therapy for re-training the immune system to tolerate beta cells.
- JDRF developed partnerships with two global pharmaceutical companies to progress clinical trials in anti CD3 antibodies - a potential therapy for stopping or slowing disease progression in newly diagnosed patients.

#### What does this mean?

Now that researchers have a better understanding of how and why the immune system acts the way it does in type 1 diabetes, they are scrutinising individual parts of the process for potential new therapies. This serves two purposes - firstly to open up new avenues for preventing the onset of type 1 diabetes, and secondly to enable safe manipulation of the immune system to allow successful replacement or regeneration of beta cells in people already living with the condition. Excitingly, a number of these newly identified therapies have already moved into human clinical trials.

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#### Bacterial infection and type 1 diabetes?

Dr Thomas Brodnicki, St Vincent's Institute for Medical Research

Scientists have long debated the influence of infection in type 1 diabetes, proposing that certain bacteria or viruses may trigger the autoimmune response in people who are susceptible. If this were the case, countries with high infection rates should have high rates of type 1 diabetes. Curiously, the opposite appears to be true - the highest rates of type 1 diabetes occur in countries like Australia, where better sanitation and medical care limit serious infections.

Dr Thomas Brodnicki and his team have recently started investigating this paradox by using a special mouse model of diabetes to investigate the effects of bacterial infection.

Initial research by this group has shown that these diabetes-prone mice are particularly susceptible to *Listeria*, a bacteria that causes food poisoning. Intriguingly, they also noted that susceptibility to type 1 diabetes and *Listeria* map to the same region in the mouse genome. With this knowledge in hand, they are now testing their hypothesis that the same gene(s) may contribute to both diseases, and the possibility that *Listeria* infection may protect against type 1 diabetes. While still in very early stages, Dr Brodnicki believes the research may lead to the identification of new type 1 diabetes susceptibility genes in humans representing new therapeutic targets for preventing the disease in people at risk.

# 4

## RESEARCH PATHWAYS COMPLICATIONS

Diabetes-related complications such as retinopathy (eye disease), neuropathy (nerve damage), nephropathy (kidney disease), hypoglycemia (low blood sugar), and heart disease are devastating to health and are responsible for an enormous economic and social burden. JDRF research seeks to discover and develop treatments and new diagnostic tools to stop or slow the progression of these complications enabling people with type 1 diabetes to live longer, healthier lives.

### What has been achieved this year?

- Researchers at the Joslin Diabetes Centre in partnership with ActiveSite Pharmaceuticals found a potential new treatment for retinopathy. Called kallikrein, it was also found to lower blood pressure in a mouse model.
- In a major shift to existing beliefs, researchers found that even short term high blood sugar spikes can cause long-lasting inflammatory effects that increase risk of cardiovascular disease by leaving a genetic “memory”. This research is being furthered by Professor Mark Cooper and his team at the IDI Baker Institute in Melbourne, the first Australian researcher to receive the highly prestigious JDRF International Scholar Award.
- A long term trial has identified that high levels of cholesterol are closely linked with the development of a range of diabetic complications and that treatment with common lipid-lowering drugs can delay the onset of some complications.
- Two new genes were identified that confer an increased risk of retinopathy in people with type 1 diabetes.
- A multi-centre US trial showed that two common blood pressure medications – losartan and enalapril – can help to prevent and slow progression of retinopathy.

### What does this mean?

Research progress has already made an impact on the day-to-day clinical management of type 1 diabetes with new therapies for retinopathy and stricter glucose control protocols resulting in less complications occurring. Ultimately, with more research, it may soon be possible to prevent complications from ever taking hold in people with diabetes.

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### Using the eyes as a window

Professor Nathan Efron, Queensland University of Technology

While some say the eyes are the window to the soul, clinical optometry specialist Professor Nathan Efron knows that eyes can also be a window to the processes of the body in both health and disease. Professor Efron is investigating the early detection of diabetic neuropathy (or nerve damage) by developing a simple, quick and painless eye test.

Diabetic neuropathy is a common and debilitating health complication of type 1 diabetes. Causing numbness, pain and weakness in the limbs, it can also result in foot ulceration and amputation. The earlier the condition is diagnosed, the better the prognosis. While tests do exist, they are often invasive, expensive and generally cannot be performed as part of routine clinical practice. To ensure they detect early damage that might not be picked up by the microscope, they will use another instrument called a non-contact corneal aesthesiometer to determine if the patient can detect a small puff of air directed onto the cornea. If successful, these tests will enable clinicians to quickly identify people at risk of neuropathy, anticipate the level of damage and assess new therapies. Whilst this trial is being conducted on people with type 1 diabetes, it may ultimately also be useful for people with type 2 diabetes and other forms of eye disease.

# 5

## RESEARCH PATHWAYS

### METABOLIC CONTROL

Good blood glucose control is essential to ongoing good health. The Metabolic Control pathway aims to develop multiple approaches for restoring tight blood glucose control for people at all stages of type 1 diabetes. This includes the development of the artificial pancreas – a closed loop system that continually monitors blood glucose levels and automatically responds with the correct dose of insulin.

#### What has been achieved this year?

- JDRF entered into a partnership with the company SmartCells Inc to further develop the development of SmartInsulin – a self-regulating form of insulin that need only be administered once a day.
- The Artificial Pancreas Program (APP) advanced rapidly with the completion of a landmark clinical trial that conclusively demonstrated that continuous glucose monitors improve blood glucose control. The APP also conducted some highly successful initial tests of a closed loop system.
- Finnish researchers identified a number of metabolic changes that occur in children before the development of autoimmune markers for type 1 diabetes – opening a potential window for treatment to prevent disease onset.
- US researchers identified a small genetic change that can impact negatively on glucose control, giving an insight into why some people react differently to different diabetes management programs.

#### What does this mean?

These developments will ultimately improve quality of life by reducing the incidence and fear of hypoglycemia, reducing the risk of developing health complications and contributing to the success of other cure therapeutics.

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#### Bringing the Artificial Pancreas Program to Australia - remembering Alex

JDRF invests millions of dollars into type 1 diabetes research and sometimes the excitement of discovery can overshadow the reason why people have given to the cause.

Alex White was diagnosed with type 1 diabetes at the age of 16 and was a bright star in his chosen field of aerospace engineering – a way for him to explore his love of technology and fulfil his dream of becoming an astronaut. Whilst he was always vigilant about managing his condition, Alex experienced an uncharacteristic overnight hypoglycemic attack and passed away at the young age of 19.

Alex's family have suffered a great loss but have clearly stated their desire that no other family should have to live through that experience. With this in mind they have formed a partnership with JDRF to start a fund for clinical trials into an artificial pancreas as they believe that the alarm function on this technology could have saved Alex's life.

If you are interested in supporting this much needed research please email JDRF at [info@jdrf.org.au](mailto:info@jdrf.org.au).



# BRINGING RESEARCH TO LIFE

As type 1 diabetes research advances, the role of JDRF has expanded from being predominately a funding agency to that of a strategic leader that aims to deliver therapeutics to market with greater involvement with industry, drug discovery and clinical trials.

## Clinical Trials

Clinical trials are the final stages of research before a new treatment can be approved for wider use in humans. These trials are designed to test the safety and efficacy of the treatment under a variety of different circumstances and usually involve volunteer participants. JDRF is currently supporting numerous clinical trials around the world including a number in Australia, and has recently established the JDRF Type 1 Diabetes Clinical Trials Connection for potential trial participants.

## JDRF Australian Islet Transplantation Program

Australian researchers are pioneers in the field of islet transplantation, spearheading the international effort to move islet transplantation

from an experimental procedure to a more widely available clinical option for people with type 1 diabetes. To fully utilise this expertise, the Australian Islet Transplantation Program (ITP) was established in 2006 as a clinical trial collaboration between JDRF and the Commonwealth Department of Health – the first partnership of its kind in Australia.

To date, ten Australians have benefited from this procedure with many more on waiting lists at the three clinical centres in Sydney, Melbourne and Adelaide. To enhance the success of the process, a number of laboratory based projects have also been funded to encourage innovative approaches to the remaining challenges including immune rejection, tolerance and islet cell availability.

## Partnerships

JDRF actively participates in cross-discipline research partnerships between government, academia and the private sector, thereby filling gaps in the research landscape and accelerating the commercialisation of therapeutics.

In Australia, JDRF has partnered with the NHMRC to fund a number of ground-breaking research projects over the last eight years, including the Diabetes Vaccine Development Centre and a portfolio of jointly funded Special Program Grants.

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## Diabetes Vaccine Development Centre (DVDC)

The DVDC was established in 2003 as a partnership between NHMRC and JDRF, and is now based at the Garvan Institute of Medical Research in Sydney. The primary aims of the Centre are to accelerate the development of treatments to prevent the onset or delay the progression of type 1 diabetes; provide support for research and clinical trials; and facilitate the commercialisation of outcomes through industry linkages.

The DVDC is currently supporting three promising research programs. The first and most established is the multi-centre INIT II trial led by Professors Len Harrison and Peter Colman. This phase 2 clinical trial aims to determine whether the administration of insulin via a nasal spray will result in a protective immune response and has shown considerable promise in earlier trials. The Pepidia-1 trial is a UK-based study that looks to familiarise the body to specific proteins that have been implicated in the development of type 1 diabetes. Currently in phase 1 trials, researchers are ensuring the safety of the treatment before proceeding to a wider study. Finally, the DVDC is supporting a ground-breaking pre-clinical study that aims to prevent the destruction of islet cells by using a molecule to block the hormone BAFF. Results demonstrated that this therapy halted the immune attack on insulin-producing cells in animal models. Led by Dr Shane Grey, it is anticipated that this study will move to human clinical trials within the next few years.



# JDRF RESEARCH GRANTS VIA PATHWAYS

## REPLACEMENT

### QLD

3D structure studies of the pancreatic beta cell by high resolution EM tomography

Dr Brad Marsh,  
University of Queensland, QLD

3D structural characterization of human islet dysfunction/destruction

Dr Brad Marsh,  
University of Queensland, QLD

### VIC

Islet Transplantation in a novel matrix and tissue engineering chamber

Prof Kenneth Knight, Bernard O'Brien  
Institute for Microsurgery, VIC

### NSW

Blockade of IL-21/IL-21R interactions in islet transplantation

Dr Cecile King, Garvan Institute of Medical Research, NSW

## AUTOIMMUNITY

### VIC

Human T cell responses to proinsulin: specificity and function

Dr Stuart Mannering, St Vincent's Institute of Medical Research, VIC

How does bacterial infection affect susceptibility to type 1 diabetes?

Dr Thomas Brodnicki, St Vincent's Institute of Medical Research, VIC

T-cell specificity and function in T1D pathogenesis and prevention

Prof Len Harrison, Walter & Eliza Hall  
Institute of Medical Research, VIC

Dendritic cell phenotype and function in people at risk for type 1 diabetes

Prof Ken Shortman, Walter & Eliza Hall  
Institute of Medical Research, VIC

The role of the human insulin promoter in regulating beta cell autoimmunity

A/Prof Robyn Slattery,  
Monash University, VIC

Pre-clinical studies of beta-cell protection by SOCS1

Dr Kate Graham, St Vincent's  
Institute of Medical Research, VIC

The role of proinsulin specific T cells after the onset of autoimmunity

Dr Krishnamurthy Balasubramanian,  
St Vincent's Institute of Medical Research, VIC

### QLD

Interleukin 1 and tolerance in type 1 diabetes

Prof Ranjeny Thomas,  
University of Queensland, QLD

RelB response as a biomarker of diabetes susceptibility

Prof Ranjeny Thomas,  
University of Queensland, QLD

Induction of tolerance in memory diabetogenic T cells

Dr Raymond Steptoe,  
University of Queensland, QLD

### ACT

Roquin prevents autoimmune diabetes through a novel tolerance pathway

Dr Carola Vinuesa, John Curtin School of Medical Research, Australian National University, ACT

Identifying Genes and Pathways Opposing type 1 diabetes

Prof Christopher Goodnow, John Curtin School of Medical Research, Australian National University, ACT

### NSW

ARNT overexpression and type 1 diabetes

Dr Jenny Gunton, Garvan Institute of Medical Research, NSW

Prevention of type 1 diabetes by activated protein C

Dr Christopher Jackson,  
University of Sydney, NSW

## COMPLICATIONS

### VIC

Designing more effective treatment strategies for diabetic kidney disease

Dr Josephine Forbes, Baker IDI Heart and Diabetes Institute, VIC

The role of angiotensin converting enzyme 2 in diabetic complications

Dr Chris Tikellis, Baker IDI Heart and Diabetes Institute, VIC

Vascular NADPH in diabetic atherosclerosis

Dr Terri Allen, Baker IDI Heart and Diabetes Institute, VIC

Role of alagebruim in diabetic nephropathy

Prof Mark Cooper, Baker IDI Heart and Diabetes Institute, VIC

Novel regulators of the renin angiotensin system in the diabetic kidney

Prof Mark Cooper, Baker IDI Heart and Diabetes Institute, VIC

Epigenetic modifications in hyperglycaemic memory and cell differentiation

A/Prof Assam El-Osta, Baker IDI Heart and Diabetes Institute, VIC

Mitochondrial oxidative stress and diabetic complications

A/Prof Ian Trounce, University of Melbourne, VIC

Prediction of microvascular complications using novel retinal imagine

Dr Tien Wong, Centre for Eye Research Australia, VIC

The role of the peptide urotensin II in type 1 diabetic complications

Dr Anna Watson, Baker IDI Heart and Diabetes Institute, VIC

Set 7: A novel target for diabetic vascular complications

Prof Mark Cooper, Baker IDI Heart and Diabetes Institute, VIC

Novel Approach to inhibit RAGE and protect from diabetic nephropathy

Dr Harshal Nandurkar, St Vincent's Hospital, Univ of Melbourne, VIC

Modulation of TGF-beta signalling by CDA1 in vasculature

Dr Zhonglin Chai, Baker IDI Heart and Diabetes Institute, VIC

JNK signalling: a potential target for treating diabetic nephropathy

Dr Gregory Tesch, Prince Henry Institute of Medical Research, VIC

The role of urotensin II in diabetes-associated atherosclerosis

Dr Terri Allen, Baker IDI Heart and Diabetes Institute, VIC

### QLD

A longitudinal study of ophthalmic markers of neuropathy in type 1 diabetes

Professor Nathan Efron, Queensland University of Technology, QLD

## CONTROL

### WA

Determinants of hypoglycemia risk during and after physical exercise

Prof Tim Jones, University of Western Australia, WA



# SPECIAL RESEARCH PROGRAMS

## THE AUSTRALIAN ISLET TRANSPLANTATION PROGRAM

### NSW

#### *Clinical program funding*

National Clinical Islet Transplantation Centre, Westmead Hospital, NSW

**Generating islet graft tolerance by targeting apoptosis and NF- $\kappa$ B activation**  
Dr Shane Grey, Garvan Institute of Medical Research, NSW

**Induction of tolerance to islet allografts by anti-CD3 and CD4+CD25+ cells**  
Prof Bruce Hall, University of NSW, NSW

**Increasing HIF $\alpha$  improves islet transplant outcome**  
Dr Jenny Gunton, Garvan Institute of Medical Research, NSW

**Parasite immunomodulatory molecules prevent rejection of islet transplants**  
Prof John Dalton, University of Technology, NSW

**Cytokine-induced ER stress leads to beta-cell differentiation**  
Dr Ross Laybutt, Garvan Institute of Medical Research, NSW

### VIC

#### *Clinical program funding*

Tom Mandel Islet Transplant Program, St Vincent's Institute of Medical Research, VIC

**Protecting islet allografts from innate and cognate immunity**  
Prof Peter Cowan, University of Melbourne VIC

**Targeting dendritic cells for local immunosuppression and tolerance**  
A/Prof Andrew Lew, Walter and Eliza Hall Institute of Medical Research, VIC

**CD93 expression prevents autoimmune destruction in beta cells**  
Dr Karen Dwyer, St Vincent's Institute of Medical Research, VIC

**Protecting islets from allo- and auto-immune CTL's by overexpressing SOCS**  
Dr Kate Graham, St Vincent's Institute of Medical Research, VIC

**Selective suicide of cross-presenting dendritic cells to stop rejection**  
A/Prof Andrew Lew, Walter and Eliza Hall Institute of Medical Research, VIC

**Adult human pancreas stem progenitor cells**  
Prof Len Harrison, Walter and Eliza Hall Institute of Medical Research, VIC

**Human T Cell responses to islet and allo-antigens after islet transplant**  
Dr Stuart Mannering, St Vincent's Institute of Medical Research VIC

**Inhibition of the perforin/granzyme pathway in islet allograft rejection**  
Dr Zia Mollah, St Vincent's Institute of Medical Research VIC

### SA

#### *Clinical program funding*

South Australian and Northern Territory Transplant Program, Queen Elizabeth Hospital, SA

**Use of ES cells to advance xeno-islet transplantation**  
A/Prof Mark Nottle, University of Adelaide, SA

### ACT

**Antibody enhanced antigen presentation for CD4 cell intolerance of islets**  
Prof Chris Goodnow, John Curtin School of Medical Research, ACT

**Genes that regulate tolerance and beta cell survival in type 1 diabetes**  
Dr Gerard Hoyne, John Curtin School of Medical Research, ACT

### WA

**Investigating mechanisms of beta-cell differentiation from islet progenitors**  
Dr Fang-Xu Jiang, University of Western Australia, WA

## NHMRC/JDRF GRANTS

### VIC

**Derivation of pancreatic B-cells from embryonic stem cells**  
Prof Ed Stanley, Monash University, VIC

**Cell death pathways and type 1 diabetes**  
Prof Joseph Trapani, University of Melbourne, VIC

**Which transgenic pig will be used for islet transplantation in humans?**  
Prof Anthony d'Apice, St. Vincent's Health, VIC

### NSW

**Beta cell mass and function in type 1 diabetes and islet transplantation**  
Dr Shane Grey, Garvan Institute of Medical Research, NSW

### ACT

**Heparanase inhibitors in the development and prevention of type 1 diabetes**  
Prof Christopher Parish, Australian National University, ACT

## DIABETES VACCINE DEVELOPMENT CENTRE

### VIC

**Type 1 diabetes prevention study (INIT-II)**  
Prof Len Harrison, Walter and Eliza Hall Institute and Prof Peter Colman, Royal Melbourne Hospital, VIC

### NSW

**Use of BAFF blockers to prevent type 1 diabetes in man**  
Dr Shane Grey, Garvan Institute for Medical Research, NSW

### UNITED KINGDOM

**Pepidia-1: Phase 1b Study of Proinsulin (P1) Peptide Immunotherapy in new-onset type 1 diabetes**  
Dr Colin Dayan, University of Bristol and Prof Mark Peakman, Kings College, UK

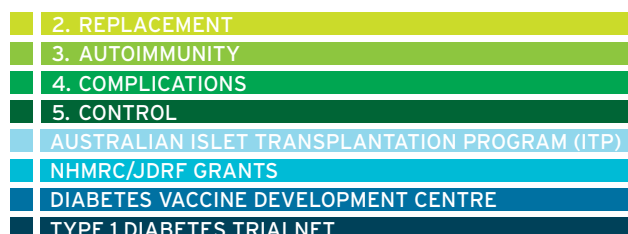
## TYPE 1 DIABETES TRIALNET

### VIC

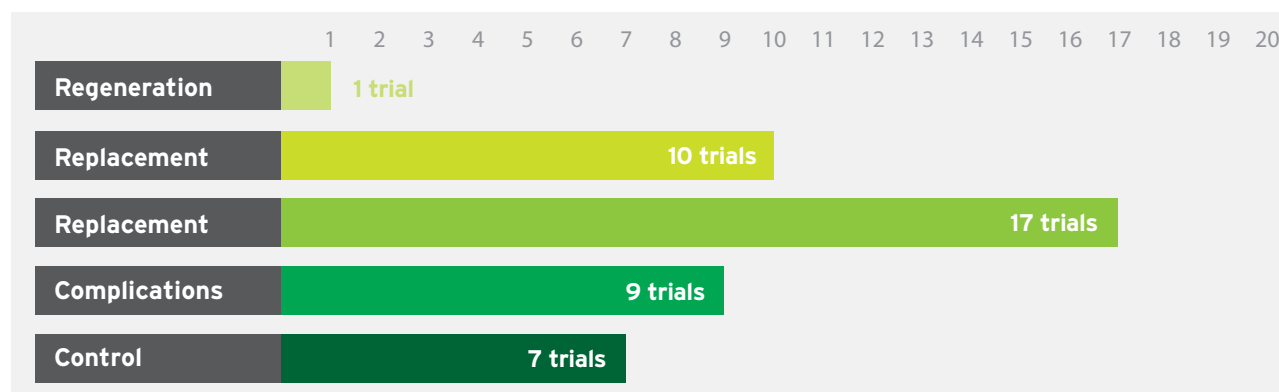
Prof Len Harrison, Walter & Eliza Hall Institute of Medical Research, VIC

# RESEARCH IN PROFILE

## RESEARCH PATHWAYS

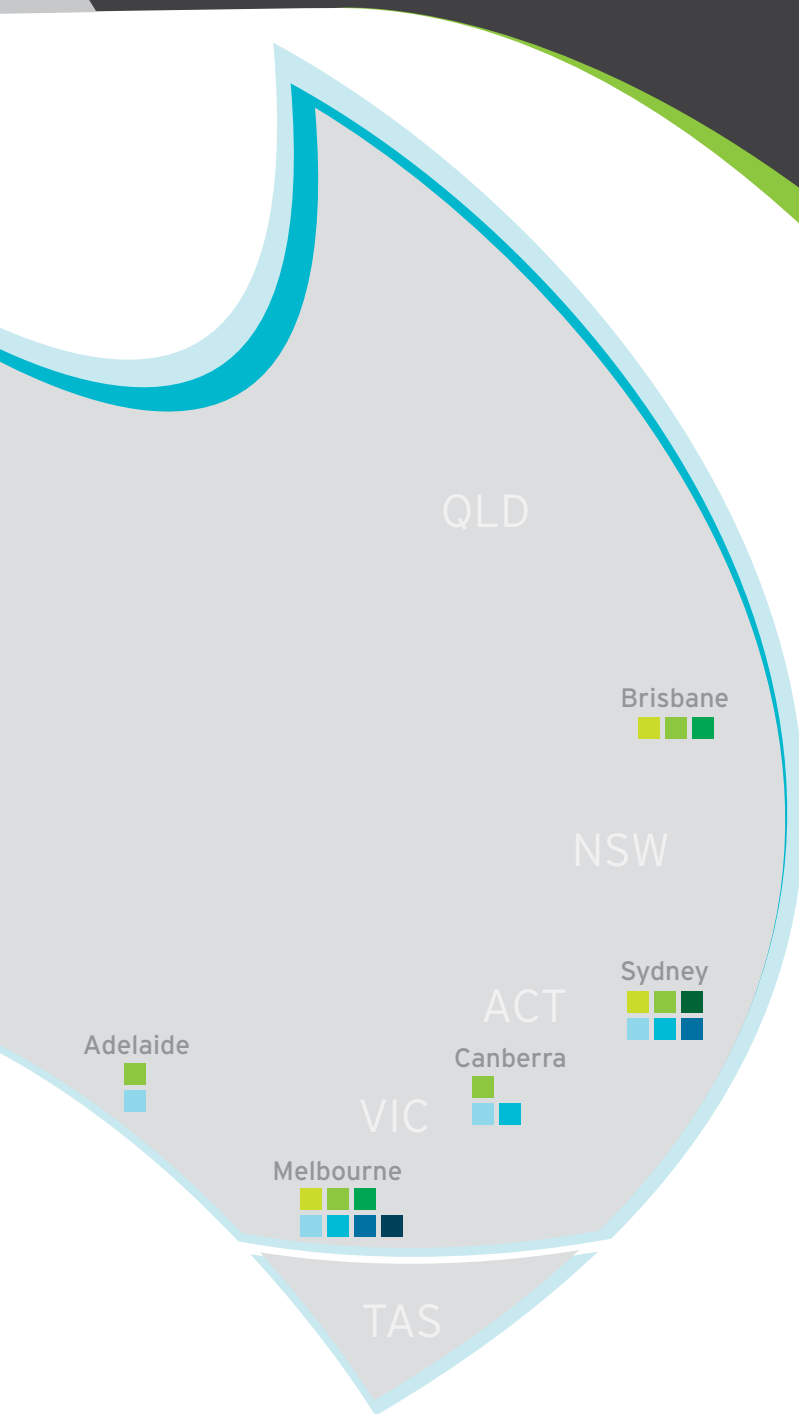


## MORE CLINICAL TRIALS THAN EVER BEFORE



Human clinical trials are the final stage of research done before a new therapy is approved for wider use. After four decades of supporting ground-breaking laboratory research, JDRF is translating this knowledge into real clinical outcomes for people with type 1 diabetes by supporting clinical trials across the world.

JDRF invested over  
**\$14 million** in 2008/09



JDRF supported **63**  
type 1 diabetes research  
projects around Australia

# SUPPORTING THE TYPE 1 COMMUNITY

JDRF shares the spirit of hope and progress with the type 1 diabetes community, bound by a shared passion to find a cure for this disease as soon as possible.

In addition to funding research, JDRF provides support and information to the type 1 diabetes community. To help reach our shared goal faster, members of our community are also invited to get involved with JDRF through volunteering, membership, or enlisting employers and companies in our fundraising activities.

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## KIDSAC

KIDSAC (Kids who are Insulin Dependent Searching for A Cure) is a support and information resource for newly diagnosed children, providing critical help in the devastating early days after diagnosis. Each KIDSAC contains a special teddy bear with type 1 diabetes - Rufus or Ruby - who helps with injections, a storybook, a blood glucose monitor, ketone testing strips and an information book for parents.

In 2008/09 more than 1500 KIDSACs were distributed.

## t1d kit

This year JDRF launched the t1d kit, a free support pack for adults who are newly diagnosed with type 1 diabetes. More than 1000 kits were sent to health care professionals to support patients at the point of diagnosis. Comments from healthcare professionals were extremely positive.

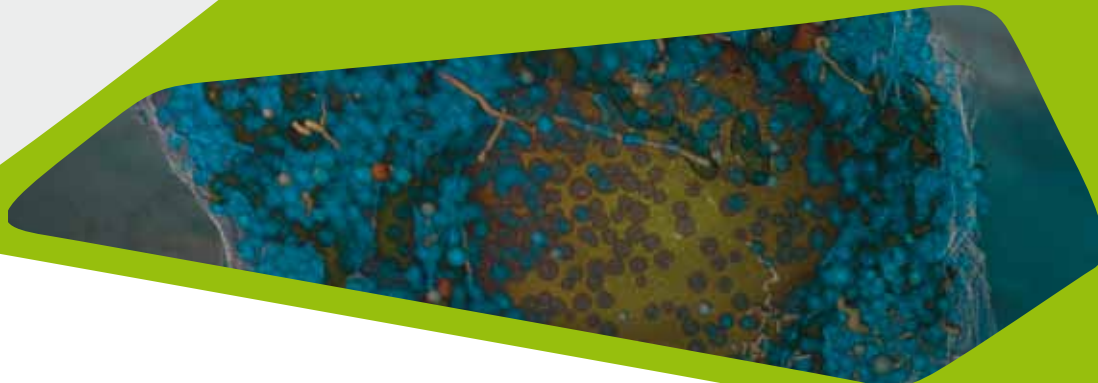
Packaged in a black satchel, the t1d kit contains resources that meet the needs of adults including a carbohydrate counter, a blood glucose meter, ketone strips and finger wipes. The t1d kit also contains a copy of the book "Straight to the Point", a great resource with information about all aspects of life with type 1 diabetes.

JDRF thanks sanofi aventis and Roche Accu-Chek for supporting both the KIDSAC program and the t1d kit.

## Straight to the Point

A unique new book produced by JDRF, Straight to the Point, was launched in 2008/09 and is now available for anyone affected by type 1 diabetes. The book is a handy tool containing useful management tips to maintain a full and healthy life. Written by diabetes professionals and members of the type 1 diabetes community, the book provides advice and information on almost every aspect of life from travelling with insulin to playing sport and eating out.

Straight to the Point is available from Diabetes Educators and can also be obtained through the JDRF website.



## Families helping families

This year JDRF launched the Peer Support Program, a service that connects newly diagnosed people to the type 1 diabetes community. Devoted volunteers provide an essential helping hand to newly diagnosed adults and families. By sharing their experiences they help with the adjustment to a new life with type 1 diabetes, and reduce feelings of isolation. If you have a first-hand understanding of a type 1 diabetes diagnosis and would like to help someone of similar age or living near you, please get in touch.

JDRF's new Peer Support Program is the successor to two previous programs, D1 Connect and the Family Mentor Program. As a localised support network, the Peer Support service helps both newly diagnosed adults and the parents of children who are newly diagnosed. The new Peer Support Program provides training to any member of the type 1 diabetes community who wishes to become a qualified volunteer.

JDRF Peer Supporters are forming local support networks that are proving effective in delivering help to new members of the type 1 diabetes community. JDRF sincerely thanks all those who have committed their knowledge and compassion to good use through JDRF's support programs, old and new.

## Young people making a difference

JDRF Advocates and Youth Ambassadors are people with type 1 diabetes who raise awareness about the disease in their community. Youth Ambassadors and Advocates learn important skills that enable them to write and speak to decision makers effectively. These volunteers also speak about type 1 diabetes to corporate partners, policy makers, the media, fundraising organisations, or at schools and work.

There are now over 800 JDRF Advocates and Youth Ambassadors around Australia. JDRF thanks all our volunteers for their time, enthusiasm, courage and creativity.

## Professional Membership

Through JDRF's Professional Membership program, health care professionals including Diabetes Educators, Endocrinologists and Dieticians are kept up to date with the latest research and JDRF's support programs. JDRF now connects with more than 1000 professional members, an increase of 40% on last year.

# COMMUNITIES SUPPORTING RESEARCH

There is always an opportunity to have fun at a JDRF fundraising event but the focus is serious. The aim is always to make a significant impact on the lives of Australians with type 1 diabetes by raising much needed research funds. Friendships are forged and strengthened through the shared goal of increasing the investment in Australia's best and brightest type 1 diabetes researchers.

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## Walking, riding and spinning

The Walk to Cure Diabetes celebrated its 16th year in 2008 and is one of Australia's biggest and longest running charity events. With over 60,000 participants, it is a powerful celebration of hope for a cure. Last year there were more than 20 walks across the country, raising more than \$2 million.



Most Walkers now use the JDRF online fundraising tool, taking the opportunity to tell a personal type 1 diabetes story with photos on their individual web page.



Sincere thanks go to JDRF's National Walk Leaders - Boral, Westpac Group, Australia Post, Spotless and Ford Motor Company. The efforts of the management and staff of these organisations in support of the Walk to Cure Diabetes are greatly appreciated by JDRF.

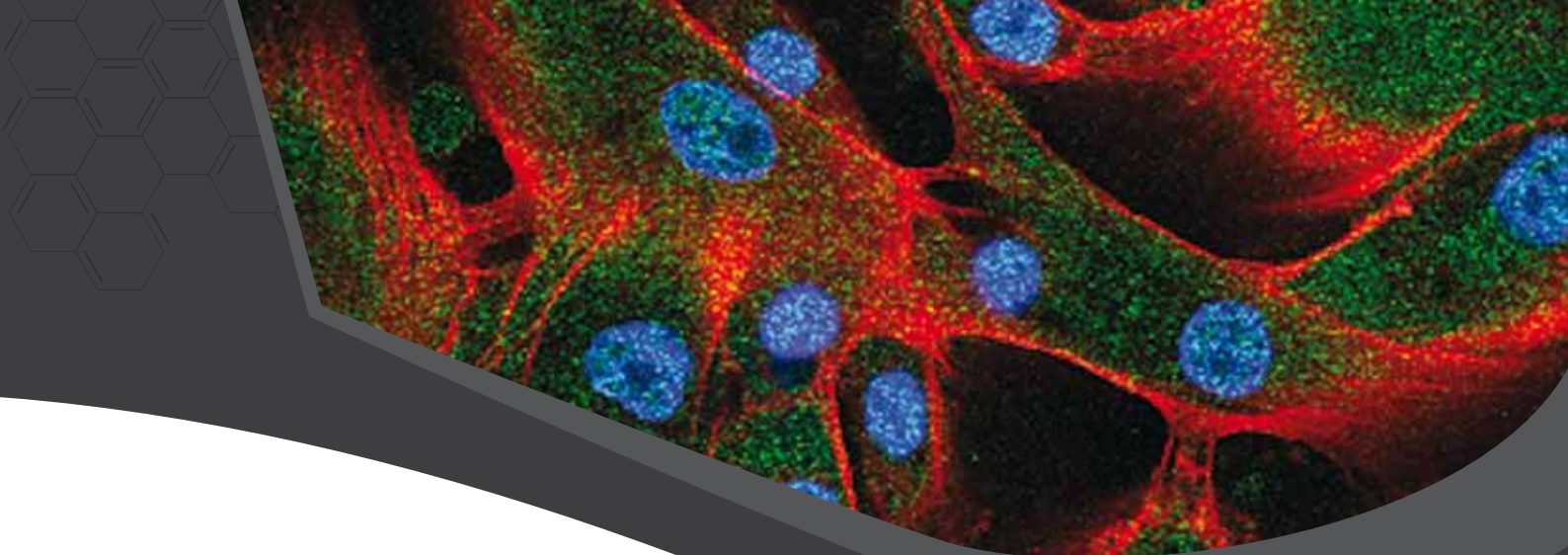
In January 2009, the Ride to Cure Diabetes in the Barossa Valley fielded a record number

of participants and raised a phenomenal \$1.3 million. JDRF was proud to award the Spirit Award to Leanne Chronican and Kirrily Male and the Highest Corporate Team Fundraising Award to Boral, who raised over \$320,000 through their team fundraising.

The Ride to Cure Diabetes would not be possible without the support of Bernie Jones Cycles, event patron Stephen Hodge, Rotary and Kiwanis Clubs of the Barossa Valley, St John's Ambulance and all who contribute to the unique team environment of the Ride, helping JDRF to draw new participants every year.

In 2009 JDRF's newest event went national, with a Spin to Cure Diabetes event held in Sydney, Brisbane, Melbourne, Adelaide and Perth. Nearly 700 participants from corporate partners around the country raced on stationary bikes to raise \$330,000.





**Jelly Babies**  
Save Lives



## Jelly Babies

In May 2009, Jelly Baby Month generated nearly \$1 million in sales – an incredible result. An army of JDRF volunteers partnered with national supporters Woolworths and Safeway supermarkets, and Amcal pharmacies, to distribute cute and unique Jelly Baby merchandise – and the JDRF mission – across Australia.

## Special events

JDRF held glamorous Gala Balls in Sydney, Brisbane, Melbourne and Perth, golf days around the country and other special events that raised over \$1 million in 2008/09. Special thanks to JDRF President Dr Susan Alberti AO Hon LLD and Frank and Sophia Jackson for their substantial support of JDRF in hosting elegant Balls in Melbourne and Perth.

Vital to the success of these campaigns are the many committee members and volunteers around Australia. JDRF sincerely thanks you for your passion and commitment.

# BUSINESS SUPPORTING RESEARCH

JDRF is proud to be associated with some of Australia's most successful companies, and even more so during the recent challenges presented by the global economy.

JDRF's corporate partnerships take many forms, including sharing expertise, providing financial support, as well as employee support of the range of fundraising events. Special mention goes to the following organisations.

## Macquarie Group and the Macquarie Group Foundation

In March 2009, 102 of Australia's best scientists gathered together for the first time to examine type 1 diabetes at the Australian Type 1 Diabetes Research Directions Workshop.

The workshop was an important component of the Research Innovation Partnership forged by JDRF and the Macquarie Group Foundation. This partnership, worth \$2.2 million over 4 years, aims to significantly increase the volume and impact of type 1 diabetes research in Australia and to support innovation in research programs.

The Australian Type 1 Diabetes Research Directions Workshop has set the foundation for an Australian Type 1 Diabetes Research Agenda. The Agenda is another key component of JDRF's partnership with the Macquarie Group Foundation.

Macquarie Group staff maintained their commitment to JDRF's mission in 2008/09, participating in all of JDRF's major fundraising events with contributions since 2002 now reaching \$1.49 million.

## Boral Ltd

JDRF was proud to present Boral with the 2008 Freedom Award, recognising the greatest annual contribution to fundraising programs from a single supporter. The Freedom Award caps a productive eight year partnership that has seen Boral reach an extraordinary \$2 million in contributions. In many cases, this fundraising involved

family members, customers and suppliers. This network of supporters provides critical investment into type 1 diabetes research in Australia.

## Woolworths

JDRF's partnership with Woolworths and Safeway delivers substantial income every year. Sales of Jelly Baby Month merchandise have nearly doubled since the inception of this partnership in 2003. Woolworths and Safeway's broad national network also enables JDRF to effectively raise awareness about type 1 diabetes amongst the general public.

## Westpac Group

As JDRF enters the second decade of its partnership with Westpac, this relationship continues to grow and develop. Westpac staff continue to be closely involved in many JDRF activities and events, forming a major part of the Walk and Ride to Cure Diabetes. Westpac is also supporting the development of JDRF's organisational capacity through the development of an "organisational mentoring" dimension to the partnership, a powerful and mutually beneficial activity.

## IBM Global Services

JDRF's partnership with IBM Global Services has been in place since 2002, delivering high quality technology and assistance. IBM is also assisting in the redesign of the technology network in preparation for future growth.



# GOVERNMENT SUPPORTING RESEARCH



## Insulin Pump Program

After JDRF helped to secure Australia's first ever government subsidy for insulin pumps last year, management of the subsidy program was maintained smoothly in 2008/09. The program provides children under the age of 18 with a government subsidy towards the purchase of an insulin pump.



This government supported initiative is a direct result of JDRF's advocacy work to provide public access to insulin pump technology. JDRF continues to work with the Federal Government on providing subsidies towards this vital piece of technology to assist with type 1 diabetes management.



## Australian research

The Federal Government has continued to provide considerable support to Australian type 1 diabetes research through the Australian Islet Transplantation Program and special National Health and Medical Research Council grants. This investment has already led to significant advancements in scientific knowledge and direct clinical implications for the type 1 diabetes community.

## Grassroots action

Dozens of direct lines of communication have been established between the type 1 diabetes community and politicians at state and federal level through the Promise to Remember Me campaign. Using letters, meetings, parliamentary visits and phone calls, children and adults with type 1 diabetes are helping to reinforce the importance of investment into medical research.

In 2008/09, JDRF conducted a successful Kids in the House event at the New South Wales parliament. An informative International Diabetes Research Dinner was also held, with keynote speakers including the Hon. Jodi McKay MP, NSW, Minister for Science and Medical Research.



# INDIVIDUALS SUPPORTING RESEARCH

JDRF would like to acknowledge all of our generous supporters who have contributed personally, through a family foundation or group fundraising. Your involvement has taken us closer to our ultimate goal – finding a cure for type 1 diabetes.

*"We make a living by what we get, but we make a life by what we give."*

Winston Churchill



## Research Investors

JDRF is sincerely grateful for the generous support of our JDRF Research Investors who have contributed an annual donation of \$10,000 or more to JDRF Australia.

- Dr Susan Alberti AO HonLLD  
\* in addition to SACF Gala Ball
- Rosemary and Peter Appleton
- Peter and Wendy Bot
- Clear Creek Estate
- Malcolm and Kathy Clift
- Ian and Wendy Coghill
- Count Charitable Foundation
- Joanne Crosby and Carey Lyon
- Elizabeth Donaghue
- Hackett Foundation
- David Harvey and Celia Waters
- Helpful Foundation
- A B Henderson and D Vandeleur
- Steve and Rosemary Higgs
- Rosanna Hindmarsh
- Frank and Sophia Jackson
- Griff Jorgenson
- Manly Concrete, QLD
- Maple Brown Family Foundation
- Simon and Leonie Marks
- Lloyd and Irene McGuire
- Peter and Marianne Nestor
- Colin North
- Pace Foundation
- Rod Pearse OAM
- Rotary Club of Adelaide
- Rotary Club of Strathmore
- Trust Company of Australia (Woodend Pty Ltd)
- John and Gaylene White
- Peter and Glenda Wilson
- Ted and Mandy Yencken
- Anonymous
- Anonymous
- Anonymous

## Million Dollar Club

The Million Dollar Club aims to bring together 1,000 like-minded individuals to donate \$1,000+ a year to JDRF. Together, these dedicated supporters will make a significant impact on the Australian diabetes research landscape by investing \$1 million annually. In 2008/09, 28 passionate individuals became founding members of this club.

## Danielle Alberti Legacy Society

The Danielle Alberti Society recognises supporters who have included a gift to JDRF in their Will. These gifts leave a lasting legacy and have a direct impact on diabetes research in Australia. JDRF would like to acknowledge Ms Elaine Geier and Mr Raymond McNally - their legacy will continue through their generous bequests in 2008/09.

## Event Supporters

A number of dedicated JDRF supporters used their own initiatives to raise significant funds for medical research. To these individuals and families, we say thank you.

# VOLUNTEER AWARDS

JDRF was established by volunteers, a group of parents who pledged to take action and make medical research happen, with the goal of finding a cure for the disease that affected their children.

Today JDRF has a talented, diverse and dedicated group of people of all ages and from all walks of life assisting in every aspect of our business, from fundraising to governance to talking with Members of Parliament.

## JDRF Volunteer Recognition Program

JDRF is grateful for the support of all our volunteers, a very special group of people who make so many things possible.

Each year the Volunteer Recognition Program recognises the achievements of those people who have made exceptional contributions.

Recipients	Award	State
<b>Karen Rose</b>	<b>Volunteer of the Year</b>	<b>National</b>
<b>Malcolm Fleming</b>	<b>Youth Ambassador of the Year</b>	<b>National</b>
Erin Cross	State Youth Ambassador	ACT
<b>Mick Burgess</b>	<b>Outstanding Contribution</b>	<b>ACT</b>
Ian Bowyer	Outstanding Impact	ACT
<b>Brendan Rose</b>	<b>State Youth Ambassador</b>	<b>NSW</b>
Sue Joyner	Outstanding Contribution	NSW
<b>Christine Yates</b>	<b>Outstanding Impact</b>	<b>NSW</b>
Rebekah Holt	State Youth Ambassador	QLD
<b>Brenda Storey</b>	<b>Outstanding Contribution</b>	<b>QLD</b>
Penny Holt	Outstanding Impact	QLD
<b>Jordan Collette</b>	<b>State Youth Ambassador</b>	<b>SA</b>
Kirrily Male	Outstanding Contribution	SA
<b>Andrew Supple</b>	<b>Outstanding Impact</b>	<b>SA</b>
Emma Crack	State Youth Ambassador	TAS
<b>Breanne Rush</b>	<b>State Youth Ambassador</b>	<b>VIC</b>
Peter Reading	Outstanding Contribution	VIC
<b>Fiona Ryan</b>	<b>Outstanding Impact</b>	<b>VIC</b>
Cody Nash	State Youth Ambassador	WA
<b>Rina Lewis</b>	<b>Outstanding Contribution</b>	<b>WA</b>
Leeann Welsh	Outstanding Impact	WA

# ADVISORY PANELS

JDRF's Advisory Panels are unique in their structure, incorporating leading scientific input and a focus on the human relevance of research.

## Professional Advisory Panel

JDRF's Professional Advisory Panel is composed of leading scientists from around Australia. Panel members ensure that JDRF's investment in research is directed towards high quality projects with the greatest scientific potential.

### Chair

Assoc. Prof. Philip O'Connell	Westmead Millennium Institute
-------------------------------	-------------------------------

### Members

Assoc. Prof. Trevor Biden	Garvan Institute of Medical Research
Dr. Tom Brodnicki	St Vincent's Institute of Medical Research
Prof. Andrew Elefanty	Monash University
Prof. Bernie Tuch	Prince of Wales Hospital
Prof. Timothy Jones	Princess Margaret Hospital for Children

## Lay Review Panel

JDRF's Lay Review Panel is composed of people who have a personal connection to type 1 diabetes. Panel members ensure that JDRF's investment in research is directed towards projects with the greatest potential to transform the lives of those with type 1 diabetes.

### Chair

Rebecca Davies	Parent of a daughter with type 1 diabetes
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### Members

Michelle Baker	Parent of a daughter with type 1 diabetes
Marilyn Harrington	Parent of a son with type 1 diabetes
Rachel Reyna	Has type 1 diabetes
Stephen Higgs	Parent of a son with type 1 diabetes
Dianne Kerr	Parent of a daughter with type 1 diabetes
Dr Jan Walker	Parent of a daughter with type 1 diabetes
Rhonda Harrup	Parent of a daughter with type 1 diabetes
Christine Garberg	Parent of a son with type 1 diabetes

## Allied Health and Nursing Professional Advisory Panel

Travel Grants are generously funded by the Macquarie Group Foundation to allow young allied health professionals to travel for the purpose of presenting their type 1 diabetes related work to national and international forums.

Allied health professionals are part of the diabetes management team and include nurses, dieticians, psychologists, social workers, and podiatrists.

### Chair

Dr. Jane Overland	Royal Prince Alfred Hospital
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### Members

Ms Deb Foote	Royal Prince Alfred Hospital
Ms Erica Wright	Diabetes Service ACT Community Centre



# ADVISORY BOARD

JDRF would like to thank the members of the JDRF Advisory Board for their support and involvement throughout the year. The Advisory Board meets to provide JDRF with guidance and advice from Australia's most knowledgeable business people:

## Professional Advisory Panel

Jane Allen	Managing Partner, Egon Zehnder International
Rob Antulov*	Director, 3eep
Chris Corrigan	Director, Consolidated Media Holdings Limited
Rebecca Davies*	Partner and Board Member, Freehills
Rick Dennis	Managing Partner, Oceania Operations & Finance, Ernst & Young
John Doumani	Managing Director, Fonterra
Richard Goyder	CEO and Managing Director, Wesfarmers
Matthew Grounds	CEO, UBS
Steve Higgs*	Chairman, JDRF
Ralph Norris	CEO and Managing Director, Commonwealth Bank of Australia
Rod Pearce OAM	CEO and Managing Director, Boral
Peter Mason AM	Chairman, AMP
Helen McCombie*	Director, Citadel PR
Howard McDonald	Chairman, Myer
Chris Mort	Chairman and CEO, McCann Worldwide
Andy Penn	Group Chief Executive, AXA Asia Pacific Holdings
Bill Wavish	Former Executive Chairman, Myer
Peter Wilson*	Managing Director, Spotless Group (rsgd 2008)
Mike Wilson	CEO, JDRF

\* Also a member of the JDRF Board. For a complete list of JDRF Board Members, see pages 28 and 29

# JUVENILE DIABETES RESEARCH FOUNDATION INTERNATIONAL

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## Financial Report – 30 June 2009

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This concise report is an extract of the full financial report for the year ended 30 June 2009. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position, changes in equity and cash flows of the Juvenile Diabetes Research Foundation International as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditors' report will be sent to members on request, free of charge. Please call 1300 363 126 or email [info@jdrf.org.au](mailto:info@jdrf.org.au) and a copy will be mailed to you. Alternatively, you can access both the full financial report and the concise financial report via the internet at our website: [www.jdrf.org.au](http://www.jdrf.org.au).

# DIRECTORS' REPORT

30 June 2009

**Your directors are pleased to present their report on the company for the year ended 30 June 2009.**

## Directors

The following persons were directors of Juvenile Diabetes Research Foundation International (JDRF) during the whole of the financial year and up to the date of this report:

- Dr Susan Alberti AO
- Trevor Allen
- Robert Antulov
- Rebecca Davies
- Greg Garvan
- Stephen Higgs
- Frank Jackson
- Ross Kennan
- Kristen Mason
- Helen McCombie
- Timothy Morphy
- Matthew Rady
- Peter Wilson

Malcolm Clift resigned as a director, Company Secretary and Treasurer on 27 November 2008. Rick Dennis resigned as a director on 18 May 2009.

Trevor Allen was appointed as Treasurer and Company Secretary on 27 November 2008 and resigned as Company Secretary on 29 January 2009.

William Bonney was appointed as Company Secretary on 29 January 2009 and continues in office to the date of this report. Natasha Mandie was appointed as a director on 6 August 2009 and continues in office to the date of this report.

## Principal activities

The Foundation is a registered charitable organisation. Its principal activities are to raise funds to support research to find a cure for and prevent diabetes, to raise awareness of the seriousness of diabetes and to offer practical support to people with diabetes and their families.

## Review of operations

Information on the operations and financial position of the Company and its business strategies and

prospects is set out in the review of operations and activities on pages 1 - 25 of this annual report.

## Significant changes in the state of affairs

There have been no significant changes in the nature of the activities of JDRF during the financial year.

## Matters subsequent to the end of the financial year

Since 30 June 2009, no matter or circumstance has arisen that has significantly affected, or may significantly affect:

- the company's operations in future financial years, or
- the results of those operations in future financial years, or
- the company's state of affairs in future financial years.

## Likely developments and expected results

There are no likely developments in the operations of the Foundation which are not finalised at the date of this report, which may materially affect the operations in the financial year and years subsequent to this financial year.

## Environmental regulations

There were no significant environmental regulations that applied to JDRF during the year.

## Meetings of Directors

The number of meetings of the Foundation's board of directors and finance committee held during the year ended 30 June 2009, and the number of meetings attended by each director were:

Director	Full Meetings of Directors		Meetings of Finance Committee	
	A	B	A	B
Dr Susan Alberti AO	4	6	*	*
Trevor Allen	5	6	11	12
Robert Antulov	5	6	*	*
Malcolm Clift	1	3	3	5
Rebecca Davies	4	6	*	*
Rick Dennis	4	5	*	*
Greg Garvan	3	6	*	*
Stephen Higgs	6	6	9	12
Frank Jackson	3	6	*	*
Ross Kennan	6	6	*	*
Kristen Mason	6	6	*	*
Helen McCombie	5	6	*	*
Timothy Morphy	6	6	*	*
Matthew Rady	5	6	*	*
Peter Wilson	3	6	*	*

A = number of meetings attended

B = number of meetings held while in office

\* denotes not a member of this committee

# DIRECTORS' REPORT (continued)

## Directors' and Secretary's Qualifications and Special Responsibilities

## Experience

### President of the Board & International Patron

- Dr Susan Alberti, AO HonLLD  
Member of JDRFI Board of Chancellors  
Member of Major Donor Committee JDRF International  
Retired Member of Board of Directors JDRFI  
Retired Chair of JDRFI International Development Committee

Managing Director, Dansu Group & associated companies.  
Founding member of the National Association of Women in Construction in Australia.  
Associate fellow, CEO Institute.  
Chair, St. Vincent's Institute Foundation.  
Chair, Susan Alberti Charitable Foundation.  
Patron and Director, Western Bulldogs Football Club.  
Director, Gold Age Pty Ltd.  
Director, St Vincent's Institute.  
Director, Victorian University Foundation Board.  
Co-Chair, Western Bulldogs Forever Foundation.

### Chairman

- Stephen Higgs, BEc  
Member of the Finance Committee  
Member of the Ad Hoc Lay Review Panel after 3 years on the full committee.  
Member of the NSW Corporate Committee

Director, Primary Health Care Ltd., Peet and Company Ltd. Chairman, Glycemic Index Ltd.  
Past Chairman, Orlando Wines. Past Director, Austoft Pty, Jasco Pty Ltd, NPL Ltd, Leigh Mardon Pty Ltd, Rural Press Ltd and UBS Warburg, IPAC Securities Ltd, So Natural Foods Ltd.  
Father of a son with type 1 diabetes.

### Vice-Chair

- Matthew Rady, ACA FFin

Executive Director, Macquarie Group.  
Director, Macquarie Pastoral Management Ltd.  
Director, Macquarie Private Portfolio Management Ltd.  
Director, Omega Global Investors Pty Ltd.

### Vice-Chair

- Peter Wilson, Dip. Chem. BEc  
Member of JDRFI Finance Committee  
Member of the International Development Committee  
Member of the Victorian Corporate Committee  
Member of JDRFI Board of Chancellors  
Retired member of JDRFI Board of Directors

Consultant.  
Former Managing Director and Chief Executive Officer - Spotless Group Limited.  
Former Director of Spotless.  
Former Director of Taylors Group Limited.  
Father of a daughter with type 1 diabetes.

### Treasurer

- Trevor Allen, BCom (Hons), CA, FF, MAICD  
(Appointed as Treasurer and Company Secretary 27 November 2008 and resigned as Company Secretary 29 January 2009)  
Chair of the Finance Committee

Partner, KPMG.  
Executive Director, KPMG.  
Member of Market Policy Committee FINSIA.  
Past director UBS Warburg.  
Sister has type 1 diabetes.

### Company Secretary (not a Director of JDRF)

- William Bonney, MMgt, FAICD  
(Appointed 29 January 2009).

Chief Operations Officer of JDRF.  
Fellow of the Australian Institute of Company Directors.  
Director and Company Secretary of Glycemic Index Limited.  
Past Company Secretary of Centrogen Holdings Ltd.  
Past Director & Company Secretary of Woomera Systems P/L.  
Has type 1 diabetes.

# DIRECTORS' REPORT (continued)

## Directors' and Secretary's Qualifications and Special Responsibilities

## Experience

<ul style="list-style-type: none"> <li>Robert Antulov, BE MBA MIEAust, MAICD</li> </ul>	<p>Founder and CEO of 3eep, an online social media company. Former Director of Strategy, Fairfax Media Ltd. Father of a son with type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Malcolm Clift, FCA (Retired 27 November 2008)</li> </ul>	<p>Chartered Accountant, former Partner PricewaterhouseCoopers (now retired). Father of a son with type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Rebecca Davies, LLB (Hons) BEc FAICD Member of the Executive Board for the Islet Transplant Program Adjunct Member of the JDRFI lay review panel and chair of JDRF (Australia) lay review panel. Editor of Update Magazine.</li> </ul>	<p>Solicitor and Company Director. Former partner and board member of a major national law firm. Former Chair of MLC Nominees, trustee for NAB/MLC public offer superannuation funds. Member of the Private Health Insurance Administration Council and former Chair of its Audit and Compliance Committee. Director of LCM Health Care Limited and its subsidiaries and member of its Audit and Risk Committee and its Performance and Remuneration Committee. Mother of a daughter with type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Rick Dennis, B Com LLB ACA JDRF Queensland Corporate Committee Chair. (Resigned 18 May 2009)</li> </ul>	<p>Managing Partner, Oceania Operations &amp; Finance, Ernst &amp; Young.</p>
<ul style="list-style-type: none"> <li>Greg Garvan, B IT Chair of the volunteer Technology Advisory Group</li> </ul>	<p>Information technology and software engineering Project Management professional, currently consulting to ING Australia, with previous engagements to Caltex Australia, Insurance Australia Group and Zurich Financial Services. Father of daughter with type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Frank Jackson Life-member of Juvenile Diabetes Research Foundation Founding Chapter President for JDRF - WA Founding committee member for Walk to Cure Diabetes - WA</li> </ul>	<p>Managing Director, Frank Jackson Holdings Pty Ltd Chairman of The Jackson Family Foundation. Director of Broadwater Resort Management Council member of The Owners of Broadwater Grand Mercure Busselton. Managing Director, Broadwater Beach Bar and Restaurant, Busselton Father of a daughter with type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Ross Kennan, FIEA CP Eng. FAICD C.Chem MRACI</li> </ul>	<p>Former Global SBU Vice-President of Honeywell Inc. Chairman, Neptune Marine Services Ltd Director, Dadanco P/L, and Dadanco Inc.(USA).</p>
<ul style="list-style-type: none"> <li>Natasha Mandie, B Comm (Hons), LLB (Hons), GAICD (Appointed 6 August, 2009)</li> </ul>	<p>Director, Credit Suisse Corporate Advisory Solutions, Director of various Hindal Group companies, former Managing Director of Hindal Ventures Pty Ltd. Has type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Kristen Mason, MBA Chair of the NSW Ball Committee</li> </ul>	<p>Director of Foundation - Kambala. Former Manager Supplier Management, Airlines - Asia Pacific, Carlson Wagonlit. Mother of daughter with type 1 diabetes.</p>
<ul style="list-style-type: none"> <li>Helen McCombie</li> </ul>	<p>Partner, Citadel PR, a corporate communications consultancy. Formerly reporter on Channel 9's Business Sunday program.</p>
<ul style="list-style-type: none"> <li>Timothy Morphy, BA, LLB, MBA</li> </ul>	<p>Managing Director of Healthways Australia Pty Ltd, a global provider of population health management solutions. Formerly General Manager Marketing, I-Med Network Limited and National Head of Marketing, Medibank Private Limited.</p>

# DIRECTORS' REPORT (continued)

## Finance Committee

The role of the Finance Committee is to provide oversight and advice on the financial activities of the organisation. It is responsible for working with the CEO and the COO on developing and tracking budgets, monitoring forecasts, and reviewing management accounts and statutory accounts. The committee met twelve times this financial year. Two independent (non-director) members currently sit on the Finance Committee to augment the diverse range of backgrounds and experience. These are Allison McMartin, Executive Director - Telcom Media & Entertainment Group at ANZ Institutional Banking and Geoff Nesbitt, CEO of AdPartners.

## Insurance of Officers

During the financial year, the company insured certain officers of the company under its Association Liability Insurance policy, a blanket policy covering assets, directors and officers and employment practices for volunteers and staff. The premium for this policy was \$12,492 (2008 - \$16,378).

The officers of the company covered by the insurance policy are the directors and senior management team as listed in this report.

The liabilities insured include costs and expenses that may be incurred by defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

## Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001. The auditors' independence declaration is set out on the following page.

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



**Stephen Higgs**  
Chairperson



**Trevor Allen**  
Treasurer

Sydney, 8 October, 2009



## AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the audit of the Juvenile Diabetes Research Foundation International for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the Juvenile Diabetes Research Foundation International.



PricewaterhouseCoopers



**Eddie Wilkie**

Partner  
PricewaterhouseCoopers

Sydney, 8 October, 2009

# CORPORATE GOVERNANCE STATEMENT

30 June 2009

The Juvenile Diabetes Research Foundation and its board are committed to achieving and demonstrating the highest standards of corporate governance. The company's corporate governance framework was most recently reviewed in 2007 in light of the best practice recommendations released by the Australian Security Exchange Corporate Governance Council in August 2007. The board continues to review the framework and practices to ensure they meet the interests of members.

The relationship between the board and senior management is critical to the company's long-term success. The directors are responsible to the members for the performance of the company in both the short and the longer term and seek to balance sometimes competing 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.

Day to day management of the company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the board to the Chief Executive Officer and senior executives.

A description of the company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

## The Board Of Directors

The board operates in accordance with the broad principles set out in its constitution as adopted by the company on 8 April 2000.

### Board composition

The constitution states:

- There may be up to 4 office bearers of the company, namely:
  - (i) The chairperson
  - (ii) 2 vice chairpersons; and
  - (iii) the treasurer
- Each of the office bearers is a director of the company.
- There must be:
  - (i) Not less than 10 directors; and
  - (ii) Subject to rule 8.6, not more than 20 directors
- Every director must be a member of the company to qualify for appointment.
- The company shall appoint 10 of the directors pursuant to rule 8.5 and the directors so elected will be entitled to appoint up to 10 further directors.

### Responsibilities

The responsibilities of the board include:

- Providing strategic guidance to the company including contributing to the development of and approving the corporate strategy.
- Reviewing and approving annual operating plans, the annual budget and financial plans including available resources and major capital expenditure initiatives.

Overseeing and monitoring:

- Organisational performance and the achievement of the company's strategic goals and objectives.
- Compliance with the company's Code of Conduct (see page 33).
- Progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments.
- Monitoring financial performance including approval of the monthly management accounts and annual financial reports, and liaison with the company's auditors.
- Appointment, performance assessment and, if necessary, removal of the Chief Executive Officer.
- Ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team.
- Ensuring there are appropriate management processes in place and approving major corporate initiatives.
- Enhancing and protecting the reputation of the organisation
- Overseeing the operation of the company's system for compliance and risk management.

### Board members

Details of the members of the board, their experience, expertise, qualifications and term of office

are set out in the directors' report under the heading "Information on directors". There are fourteen (14) directors at the date of signing the directors' report.

### Directors' independence

The board has adopted specific principles in relation to directors' independence. In order to remain independent, the director must declare to the Chairperson and refrain from voting on related issues if:

- They are a principal of a material professional advisor or a material consultant to the company, or an employee materially associated with the service provided.
- They are a material supplier or customer of the company or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- They have any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

### Term of office

The company's Constitution specifies that all directors must retire from office at each annual general meeting (AGM). Where eligible, a director may stand for re-election.

### Chairperson and Chief Executive Officer

The Chairperson 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 is responsible for implementing company strategies and policies.

### Conflict of interest

Entities connected with Rebecca Davies had business dealings with the company on a pro-bono basis during the year. In accordance with the board policy, the director concerned declared their interests in those dealings to the company and took no part in decisions relating to them or the preceding discussions.

### Independent professional advice

Directors and board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chairperson is required, but this will not be unreasonably withheld.

### Corporate reporting

The CEO and 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 a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

### Board committees

The board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The outcomes of committee meetings are tabled at the subsequent board meeting.

### Finance committee

The finance committee includes the following directors:

- Trevor Allen (Chairperson)
- Stephen Higgs

Details of these directors' qualifications and attendance at finance committee meetings are set out in the directors' report on pages 27 to 30.

In addition to the directors listed above, the finance committee also includes two independent non-director members:

- Allison McMartin
- Geoff Nesbitt

The details of these committee members are set out on page 30.

The finance committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the sector in which the company operates.

The main responsibilities of the finance committee are to:

- Review, assess and approve the annual full and concise reports, the monthly management accounts and all other financial information published by the company.
- Assist the board in reviewing the effectiveness of the organisation's internal control environment covering:
  - Effectiveness and efficiency of operations
  - Reliability of financial reporting
  - Compliance with applicable laws and regulations
- Recommend to the board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance
- Consider the independence and competence of the external auditor on an ongoing basis
- Report to the board on matters relevant to the committee's role and responsibilities.

The finance committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

### External auditors

The company appoints external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate. PricewaterhouseCoopers was appointed as the external auditor in 2002.

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.

### 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 strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the organisation's objectives.

Considerable importance is placed on maintaining a sufficiently strong control environment. There is an organisational structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct (see below) is required at all times and the board actively promotes a culture of quality and integrity.

### Environment, Health and Safety

The organisation recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective, a staff survey is conducted annually to determine the key areas of OH&S risk that impact staff.

The organisation has undertaken an environmental audit to determine ways to minimise its impact on the environment. JDRF is committed to minimising this impact through recycling and energy conservation programs.

### Code of Conduct

The organisation has developed a statement of values and a Code of Conduct (the Code) which has been fully endorsed by the board and applies to all directors, employees, volunteers and event participants. The Code reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the organisation's integrity.

For staff and volunteers, the Code also requires they never permit their personal interests to conflict, or even appear to conflict, with the interests of the Foundation.

The Code and values are discussed with each new director and employee as part of their induction training.

The directors are satisfied that the organisation has complied with its policies and ethical standards.

A copy of the Code of Conduct is available by contacting the organisation.

# INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Year to 30 June 2009 \$	Year to 30 June 2008 \$
Revenue from continuing operations - fundraising & other income	9,136,534	8,365,110
Revenue from continuing operations - government grants	9,680,162	7,385,000
<b>Total revenue from continuing operations</b>	<b>18,816,696</b>	<b>15,750,110</b>
Revenue from unrealised gain/(loss) on shares	10,231	-
Employee benefits expenses	(2,120,486)	(1,857,521)
Fundraising campaign expenses	(731,453)	(936,775)
Communications & technology expenses*	(116,351)	(140,471)
Advertising, promotion and printing expenses	(160,193)	(207,196)
Other expenses	(1,231,684)	(737,271)
<b>Profit from continuing operations</b>	<b>14,466,760</b>	<b>11,870,876</b>
Research grants and travel awards	(13,008,161)	(11,035,314)
Education and support	(348,184)	(336,933)
<b>Surplus before income tax</b>	<b>1,110,415</b>	<b>498,629</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Profit from continuing operations</b>	<b>1,110,415</b>	<b>498,629</b>
<b>Surplus for the year</b>	<b>1,110,415</b>	<b>498,629</b>

\* 2009 - \$34,500 in-kind technology support (2008 - \$40,500)

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

# BALANCE SHEET

## AS AT 30 JUNE 2009

Assets	As at 30 June 2009 \$	As at 30 June 2008 \$
Current assets		
Cash and cash equivalents	12,666,784	11,029,379
Share portfolio*	297,533	-
Trade and other receivables	610,536	540,508
Inventories	102,345	94,501
<b>Total current assets</b>	<b>13,677,198</b>	<b>11,664,388</b>
Non-current assets		
Plant and equipment	70,212	119,928
Intangibles	48,888	97,632
<b>Total non-current assets</b>	<b>119,100</b>	<b>217,560</b>
<b>Total assets</b>	<b>13,796,298</b>	<b>11,881,948</b>
Liabilities		
Current liabilities		
Trade and other payables	1,757,073	1,396,410
Research grants payable	7,711,737	7,288,681
<b>Total current liabilities</b>	<b>9,468,810</b>	<b>8,685,091</b>
Non-current liabilities		
Provision for Long Service Leave	59,049	38,833
<b>Total non-current liabilities</b>	<b>59,049</b>	<b>38,833</b>
<b>Total liabilities</b>	<b>9,527,859</b>	<b>8,723,924</b>
Net assets	<b>4,268,439</b>	<b>3,158,024</b>
Equity		
Retained surplus	<b>4,268,439</b>	<b>3,158,024</b>
<b>Total equity</b>	<b>4,268,439</b>	<b>3,158,024</b>

\* A portfolio of shares was left to the company in a bequest and liquidated in July 2009.

The above balance sheet should be read in conjunction with the accompanying notes.



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Year to 30 June 2009 \$	Year to 30 June 2008 \$
Total equity at the beginning of the financial year	3,158,024	2,659,395
Net surplus/(deficit) attributable to members of the company	1,110,415	498,629
<b>Total equity at the end of the financial year</b>	<b>4,268,439</b>	<b>3,158,024</b>

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

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Year to 30 June 2009 \$	Year to 30 June 2008 \$
Cash flows from operating activities		
Fundraising income	8,902,160	6,106,272
Government grants	9,680,162	5,516,000
Interest received	234,374	356,075
Payments for operating activities	(3,506,401)	(2,722,959)
Grants and travel awards paid	(13,653,104)	(5,954,486)
<b>Net cash inflow from operating activities</b>	<b>1,657,191</b>	<b>3,300,902</b>
Cash flows from investing activities		
Payments for plant, equipment & software	(19,786)	(119,070)
<b>Net cash (outflow) from investing activities</b>	<b>(19,786)</b>	<b>(119,070)</b>
Net increase in cash and cash equivalents	1,637,405	3,181,832
Cash and cash equivalents at the beginning of the financial year	11,029,379	7,847,547
Cash and cash equivalents at the end of the financial year	12,666,784	11,029,379

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

# COMMENTARY ON FINANCIAL STATEMENTS

## for the year ended 30 June 2009

### Commentary on income statement

The result for the year ended 30 June 2009 was a surplus of \$1,110,415 (2008: \$498,629) after funding \$13,008,161 of research and travel grants (2008: \$11,035,314).

#### Revenue

(a) Gross Revenue from all operations increased 19.5% on last year, following 28% growth last year. This was the result of 9.2% growth in fundraising and other revenue and 31.1% growth in government funding of the Islet Transplantation Program and Insulin Pump Grant Program.

(b) Gross Revenue from fundraising and other revenue was \$9,136,534 (2008: \$8,365,110), an increase of \$771,424 or 9.2% on last year. This is after 7% growth last year. This growth was delivered through the following:

- Major contributions increased \$723,136 or 51.4% to \$2,128,964 through support from trusts and foundations including the Macquarie Group Foundation, generous bequests and a growing number of generous individuals.
- Merchandising campaigns including the Jelly Baby Campaign increased \$34,343 or 3.8% to \$934,861 through the support of Woolworths and Amcal Pharmacies and the tireless work of our volunteers.
- Unsolicited donations from the general public increased \$22,476 or 26.5% to \$107,259.
- The Ride to Cure Diabetes increased \$182,576 or 16.2% to \$1,310,527 with growing support from individual and corporate riders from across the country.
- Golf Days generated \$84,733 which was \$12,805 or 17.8% more than last year.
- The Spin to Cure Diabetes went national and generated \$332,268 which was \$206,296 or 163.8% above last year, when the inaugural event was only held in NSW.

- Other fundraising including third party fundraising increased \$138,660 to \$147,512.

- Offset by reductions in gross revenue from:

- The Walk to Cure Diabetes of \$150,279 or 6.9% to \$2,022,175.
- Gala Dinners of \$21,896 or 2.6% to \$822,146.
- Direct Mail of \$20,508 or 9.2% to \$201,746.
- Corporate partnerships of \$81,993 or 9.7% to \$767,211.

(c) Net Revenue from fundraising activities was \$6,200,917 (2008: \$5,578,806), an increase of \$622,111 or 11.2% over last year, following an increase of \$436,599 or 8.5% last year. Drivers of this growth in net revenue were:

- An increase of \$711,200 or 51.2% from major contributions including trusts and foundations, bequests and individual contributions.
- An increase of \$17,285 or 2.9% from merchandising campaigns.
- An increase of \$22,399 or 26.9% from unsolicited donations.
- An increase of \$174,975 or 22.7% from the Ride to Cure Diabetes.
- An increase of \$8,568 or 18% from Golf Days.
- An increase of \$165,134 or 160.6% from the Spin to Cure Diabetes.
- An increase of \$78,959 or 892% from other fundraising activities including third party fundraising.
- Offset by:
  - a decrease of \$138,911 or 7.4% from the Walk to Cure Diabetes.
  - a decrease of \$15,994 or 2.4% from Gala Dinners.
  - a decrease of \$8,761 or 5.0% from Direct Mail.

- a decrease of \$80,535 or 9.5% from corporate partnerships.

- an increase of \$312,208 or 30.7% in indirect costs associated with fundraising.

#### Expenses

(a) Total fundraising expenses increased by \$423,505 or 18.9% over last year. This was due to both increased variable costs in staging events and increased fixed costs of running the state fundraising offices.

(b) Administrative Expenses were well controlled and under budget this year. Total administration including the management of the Islet Transplantation Program was \$1,352,902 compared with \$1,528,320 last year. This was a decrease of \$175,418 or 11.5% compared to 2008.

(c) Employee expenses increased by \$262,965 or 14.2% with the addition of a National Events Manager and salary increases for incumbent staff.

(d) Research and travel grants increased by \$1,972,847 or 17.9% this year with a total of \$13,008,161 of Australian research supported (2008: \$11,035,314). A further \$1.025 million of Australian research was funded by our affiliate, JDRFI, in the USA.

#### General

(a) JDRF is an events-based fundraiser. Events are an expensive method of fundraising, but remain the core of JDRF's portfolio. As an events-based charity, JDRF is committed to delivering an expense ratio of less than 30 cents in the dollar for each campaign and program it runs, while keeping the *fun* in fundraising.

## Commentary on balance sheet

### Assets

Total assets increased from 30 June 2008 by \$1,914,350. Movement in each asset class was as follows:

- (a) Cash is \$1,637,405 or 14.8% higher than 30 June 2008 with \$12,666,784 in total (\$11,029,379 in 2008). From this \$6,280,875 was paid to research institutions in July.
- (b) Receivables increased by 13% from \$540,508 to \$610,536. This is primarily Jelly Baby revenue generated by our retail supporters which was received in August 2009.
- (c) Inventories increased by \$7,844 or 8.3%. This inventory is attributable to the Jelly Baby campaign, all of which has future economic value and is carried at the lower of cost or net realisable value.
- (d) Non-current assets decreased by \$98,460 or 45.3% to a net book value of \$119,100 resulting from the depreciation and amortisation of fixed assets.

### Liabilities

Total liabilities increased from 30 June 2008 by \$803,935 to

\$9,527,859. Movement in each class of liability was as follows:

- (a) Creditors and accrued expenses increased by \$360,663 or 25.8% to \$1,757,073 (2008: \$1,396,410). Of this amount, \$852,085 is for GST payable; \$201,919 is for supplier accounts and accrued expenditure; \$419,885 is sponsorship revenue received in advance for 2010 program delivery and \$175,004 is for employee annual leave entitlements.
- (b) Research Grants Payable refers to ITP research grants valued at \$7,711,737 that have been awarded and expensed, but not yet paid as of 30 June 2009. \$6,280,875 in grants was paid to research institutions in July with the remainder to be paid in October/November 2009.
- (c) Provisions of \$59,049 refer to employee long service leave entitlements, which increased by \$20,216 over 2008 (2008: \$38,833).

### Equity

Total equity increased by 35.2% on last year to \$4,268,439 resulting from the net surplus for the year of \$1,110,415.

## Commentary on cash flow statement

### Cash flow from operating activities

Receipts from fundraising and sponsorship increased by 45.8% or \$2,795,888 to \$8,902,160. Government grants received increased 75.5% to \$9,680,162. Interest income decreased by 34.2% to \$234,374 (2008: \$356,075), as the result of lower interest rates and a lower cash base for investment.

Cash outflows for operating costs increased by \$783,442 compared to last year. Research grants paid increased by \$7,698,618 to \$13,653,104 with an additional \$6,280,875 paid in July 2009. Total outflows increased by \$8,482,060 compared to last year, while inflows increased by \$6,838,349. This resulted in a net cash inflow from operating activities of \$1,657,191 (2008: \$3,300,902) or 49.8% less than last year.

### Cash flows from investing activities

Cash outflows from investing activities relates to the purchase of plant and equipment - \$19,786 compared to \$119,070 last year.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

## Note 1: Summary of significant accounting policies

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

State offices and Chapters located throughout Australia.

Also known as JDRF in Australia, the entity is a company limited by guarantee, incorporated under the Corporations Act 2001. Each member undertakes to contribute to the company's property if the company is wound up while he, she or it is a member or within 1 year after he, she or it ceases to

be a member, for payment of the company's debts and liabilities contracted before he, she or it ceases to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding \$2.

#### **(a) Basis of preparation**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

#### **Compliance with IFRSs**

Australian Accounting Standards include AIFRS. Compliance with AIFRSs ensures that the financial statements and notes of JD RF comply with International Financial Reporting Standards (IFRSs).

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention.

#### **Critical accounting estimates**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### **(b) Revenue recognition**

Revenue from fundraising activities is recognised when the fundraising event occurs.

Revenue from corporate donations and sponsorships is recognised when received unless under contract, in which case it is recognised when invoiced.

Revenue from the sale of merchandise is recognised at the time of sale.

Revenue from bequests is recognised when received.

Revenue from government grants is recognised as outlined in (c) below.

#### **(c) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

#### **(d) 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, and where control of the contribution or the right to receive the contribution has been gained. Other donations in kind, which are not of a material nature, are not recorded in the financial statements.

#### **(e) Third-party fundraising**

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

#### **(f) Income tax**

The company is exempt from income tax under the provisions of Section 50-50 and Section 50-52 of the Income Tax Assessment Act (1997).

#### **(g) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

#### **(h) Cash and cash equivalents**

For purposes of the cash flow statement, cash includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are convertible to cash on hand, and subject to insignificant risk of changes in value, and which are used in the cash management function on a day-to-day basis.

#### **(i) Trade receivables**

Trade receivables are recognised at fair value. Trade receivables are due for settlement no more than 45 days from the date of recognition.

#### **(j) Inventories**

Inventories are valued at the lower of cost and net realisable value.

#### **(k) Acquisitions of assets**

The purchase method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs directly incidental to the acquisition.

#### **(l) Depreciation of property, plant and equipment**

Depreciation is calculated on a straight line basis to write off the net cost of each item of plant and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Plant and equipment	5 years
Computer equipment	2.5 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### **(m) Intangible Assets**

##### **IT development and software**

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 2.5 to 3 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the company has an intention and ability to use the asset.

#### **(n) Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The

recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (p) Employee entitlements

##### (i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised and are measured as the amounts expected to be paid when the liabilities are settled.

##### (ii) Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

#### (q) 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 balance sheet.

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 flow.

#### (r) Chapters

The results of JDRF Australia include the results of the following Chapters:

##### NSW:

Sydney  
Central Coast  
Mid North Coast  
Goulburn  
Griffith  
Macarthur

##### ACT:

Canberra

##### Victoria:

Bendigo  
Melbourne  
Geelong  
Gippsland  
Mildura

##### Queensland:

Brisbane  
Gold Coast  
Ipswich

##### South Australia:

Adelaide

##### Tasmania:

Hobart

##### Western Australia:

Perth  
Geraldton  
Katanning  
Bunbury  
Manjimup

Chapters comprise a group of regional volunteers established to raise funds for research into finding a cure for diabetes and its complications, and to provide local support for people with diabetes and their families. The chapters' activities are supported by the Peer Support Program launched in 2008.

#### (s) Research grants for the Islet Transplantation Program

Research grants for the Islet Transplantation Program are determined to be payable when the Executive Board passes a resolution outlining what institutions and research projects are to be funded. These commitments are carried as payables and paid within 1 year.

#### (t) New accounting standards and interpretations

Revised AASB 101 *Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*.

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The company intends to apply the revised standard from 1 July 2009.

There are a number of other revised standards with which the company will be required to comply such as AASB 8 Operating Segments, AASB 123 Borrowing Costs and AASB 3 Business Combinations. These revised standards will have no significant impact on the company.

## Note 2: Financial risk management

#### (i) Financial risk management objectives

JDRF has limited exposures to financial risks. The main financial risk is in relation to interest rates which impacts the level of interest income on cash at bank and on deposits.

JDRF has a policy that all surplus funds are invested with major banks through investments that provide a guaranteed return and security of capital. JDRF has a policy which prohibits applying funds to invest in the share market or in financial derivatives.

#### (ii) Market risks

JDRF is not exposed to foreign exchange or price risk. As noted above, the company has some exposure to interest rate risk. If interest rates had changed by +/-



100 basis points from the period end rates, with all other variables remaining constant, the profit from ordinary operations on an annualised basis would have been \$125,000 higher/lower (2008: \$110,000 higher/lower). Accordingly, the equity would have been higher/lower by \$125,000 (2008: \$110,000).

### (iii) Credit risk

Due to the nature of JDRF's operations, the company has limited exposure to credit risk. There is no security over receivables.

### (iv) Liquidity risk

JDRF manages liquidity risk by continuously monitoring forecast and actual cash flows. JDRF has no borrowing facilities and thus manages liquidity risk by ensuring that it has sufficient cash resources to meet its operating and research obligations. All non-ITP research is contracted between the research institutions and the US affiliate, JDRFI. The company assists JDRFI by funding as much Australian research as financially possible. From time to time, JDRFI funds additional Australian research that JDRF Australia cannot fund. During the year, the US affiliate provided \$1,025,458 (2008: \$1,040,000) for research in Australia, or 7% (2008: 9%) of the total JDRF research funded in Australia.

### (v) Fair value estimation

The fair value of financial assets and liabilities are estimated for recognition, measurement and disclosure purposes.

The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

## Note 3: Critical accounting estimates and judgements

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

### (a) 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.

### (b) Critical judgements in applying the entity's accounting policies

#### Revenue recognition

##### (i) Walk Revenue:

The company has recognised \$5,109 of revenue received in advance from the Walk to Cure Diabetes to be held in October 2009. This revenue refers to donations and supporter contributions received that would not be refunded should the Walk to Cure Diabetes not take place in October 2009.

##### (ii) Government Grants:

The company has recognised \$9,680,162 of other revenue being grants from the Federal Government. \$9,500,000 of these grants is subject to the delivery of research outcomes into islet transplantation and \$180,162 is for the insulin pump grant program.

Management and the Board are confident that the deliverables of these grants will be met on time and within budget, enabling the full amount of the grants to be recognised in this financial report.

#### Expenditure recognition

##### (i) Research grants payable:

The company has recognised \$7,711,737 of research grants as a

financial commitment, to be paid in FY2010. The provision was taken up at the time that the Executive Board of the Islet Transplantation Program passed a resolution outlining the successful institutions and the amounts they would receive. This provision was accounted for as research expenditure to recognise the financial commitment established by the awarding of the grants in April 2009.

## Note 4: Revision of accounting estimates

There were no revisions to accounting estimates used by the organisation during the financial year.

## Note 5: Segment information

The Foundation operates primarily as a fundraising charity and wholly within Australia.

## Note 6: Sales revenue

Fundraising revenue amounted to \$8,859,402 (2008: \$7,813,786); government grants amounted to \$9,680,162 (2008: \$7,385,000) and other revenue totalled \$277,132 (2008: \$551,324).

## Note 7: Delivery of mission

The following figures and percentages reflect the resources used in delivering the JDRF mission from fundraising:

	2009	2008
Total cost of fundraising/ gross income from fundraising	\$2,658,485/ \$8,859,402	\$2,234,980/ \$7,813,786
	30%	29%
Total surplus of fundraising/ gross income from fundraising	\$6,200,917/ \$8,859,402	\$5,578,806/ \$7,813,786
	70%	71%

**Note 8: Functional currency**

The Foundation's functional currency and presentation currency is Australian dollars.

**Note 9: Dividends**

The organisation is a company limited by guarantee whose constitution prohibits it from distributing dividends to members.

**Note 10: Event occurring after reporting date**

Since 30 June 2009 to the date of this report, no matter or circumstances have arisen which have a significant effect on:

- (a) the operations of the Foundation;
- (b) the results of those operations; or
- (c) the state of affairs of the Foundation

**Note 11: Remuneration of auditors**

An amount of \$15,000 has been accrued for the FY2009 audit fee payable to PricewaterhouseCoopers. This amount is subsidised as JDRF is a preferred charity partner of the PwC Foundation.

**Note 12: Full financial report**

Further financial information can be obtained from the full financial report which is available from the company, free of charge, on request. A copy may be requested by calling 1300 363 126. Alternatively, you can access both the full financial report and the concise financial report via the internet at our website: [www.jdrf.org.au](http://www.jdrf.org.au).

**Note 13: Government grants**

A government grant of \$9,500,000 was recognised as revenue by the company during the financial year for the Islet Transplantation Program. A further \$180,162 was received for the Insulin Pump Grant Program. There are no unfulfilled conditions or other contingencies attaching to these grants. The company did not benefit directly from any other forms of government assistance.

# Officers' Declaration

In the directors' opinion:

- (a) the concise financial report set out on pages 26 to 42 is in accordance with the Corporations Act 2001, including complying with Accounting Standard AASB 1039 and the Corporations Regulations 2001; and
- (b) the concise financial report is a true and fair extract from the full financial report; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



**Stephen Higgs**  
Chairperson



**Trevor Allen**  
Treasurer

Sydney, 8 October, 2009

## Declaration by Chief Executive Officer and Chief Operations Officer in respect of Fundraising Appeals

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We, Mike Wilson, Chief Executive Officer and William Bonney, Chief Operations Officer of the Juvenile Diabetes Research Foundation International declare that, in our opinion:

- The financial statements set out on pages 26 to 42 give a true and fair view of all income and expenditure of Juvenile Diabetes Research Foundation International with respect to fundraising appeals;
- The balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals;
- The provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the fundraising authority have been complied with for the year ended 30 June 2009; and
- The internal controls exercised by Juvenile Diabetes Research Foundation International are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



**Mike Wilson**  
Chief Executive Officer

Sydney, 8 October, 2009



**William Bonney**  
Chief Operations Officer

# Independent Auditor's Report to the Members of Juvenile Diabetes Research Foundation International

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## Report on The Concise Financial Report

The accompanying concise financial report of Juvenile Diabetes Research Foundation International comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Juvenile Diabetes Research Foundation International for the year ended 30 June 2009. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

## Directors' responsibility for The Concise Financial Report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Juvenile Diabetes Research Foundation International for the year ended 30 June 2009. Our audit report on the financial report for the year was signed on 12th October 2009 and was subject to qualification as detailed therein. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

## Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

## Basis for qualified auditor's opinion

Cash from donations and other fundraising activities are a source of revenue for the company. The company's directors have determined that it is impracticable to establish control over the collection of cash donations and other fundraising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding these sources was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

## Qualified auditor's opinion

In our opinion, except for the effect on the concise financial report of such adjustments, if any, as might have been determined to be necessary had the limitation on our audit procedures referred to in the qualification paragraph not existed, the concise financial report of Juvenile Diabetes Research Foundation International for the year ended 30 June 2009 complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

## Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the concise financial report of the Juvenile Diabetes Research Foundation International for the year ended 30 June 2008 included in the Juvenile Diabetes Research Foundation International web site. The company's directors are responsible for the integrity of the Juvenile Diabetes Research Foundation International web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the concise financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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PricewaterhouseCoopers



**Eddie Wilkie**

Partner  
PricewaterhouseCoopers

Sydney, 12 October, 2009

# DIRECTORY OF JDRF OFFICES

## New South Wales

Level 4, 80 Chandos Street  
St Leonards NSW 2065  
Tel: 02 9966 0400  
Fax: 02 9966 0172  
nsw@jdrf.org.au

## Australian Capital Territory

16 Thesiger Court  
Deakin ACT 2600  
Tel: 02 6249 8555  
Fax: 02 6162 0390  
act@jdrf.org.au

## Queensland

Level 5, Wickham House  
155 - 157 Wickham Terrace  
Spring Hill QLD 4000  
Tel: 07 3831 0544  
Fax: 07 3236 9634  
qld@jdrf.org.au

## South Australia

458 Fullarton Road  
Myrtle Bank SA 5064  
Tel: 08 8338 3677  
Fax: 08 8338 6017  
sa@jdrf.org.au

## Victoria

Suite 1, Level 1,  
222 Kings Way  
South Melbourne VIC 3205  
Tel: 03 9696 3866  
Fax: 03 9696 7659  
vic@jdrf.org.au

## Western Australia

Level 2, 186 Scarborough Beach Road  
Mt Hawthorn WA 6016  
Tel: 08 9444 9137  
Fax: 08 9444 6155  
wa@jdrf.org.au

**[www.jdrf.org.au](http://www.jdrf.org.au)**

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