



JDRF AUSTRALIA
ABN 40 002 286 553

FINANCIAL REPORT - 30 JUNE 2017

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DIRECTORS' REPORT

JDRF Australia is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. The Directors present the financial report for JDRF Australia for the year ended 30 June 2017 and report as follows:

DIRECTORS

The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Richard Goyder AO	Chair Co-Chair of the Advisory Board
<i>Year appointed:</i>	2016
<i>Qualifications and experience:</i>	BCom, FAICD Managing Director, Wesfarmers Chair, Australian Football League Commission Director and Chairman-elect, Woodside Director, Gresham Partners Holdings Director, Business Council of Australia Father of a son with type 1 diabetes
Paul Heath	Vice-Chair Member of the Board and Investment Committee, JDRFI
<i>Year appointed:</i>	2012
<i>Qualifications and experience:</i>	CEO, Koda Capital Member, Endowment Investment Committee of the Benevolent Society Former CEO, JBWere Pty Ltd Father of a daughter with type 1 diabetes
Stuart Green	Treasurer Chair of the Finance & Audit Committee
<i>Year appointed:</i>	2010
<i>Qualifications and experience:</i>	B.A. (Hons), MBA, FCA, ACMT Executive Director, Macquarie Group Limited Group Treasurer, Macquarie Group Limited
Mike Wilson	Director Company Secretary and CEO
<i>Year appointed</i>	2011
<i>Qualifications and experience:</i>	BSc, BEc (Hons), GAICD CEO of JDRF Australia since 2004 Director, Somark Innovations

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DIRECTORS' REPORT

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Kate Aitken	Director Chair of the Talent Committee Member of the Finance & Audit Committee
<i>Year appointed:</i>	2015
<i>Qualifications and experience:</i>	Managing Director, Chief of Staff and Co-COO Goldman Sachs Australia and New Zealand Advisory Member of Pride in Diversity's Strategic Executive Forum, Member of Chief Executive Women and Scholarship Committee Member, Trustee of Goodman Sachs JBWere Superannuation Fund
Professor James Best AO	Director Member of the Research Committee
<i>Year appointed:</i>	2014
<i>Qualifications and experience:</i>	MB BS, MD (Melb), Hon MD (St Andrews), FRACP, FRCPath, FRCP (Edin) Dean, Lee Kong Chian School of Medicine, Singapore (A Joint Medical School by Imperial College London and Nanyang Technological University) Former Professor of Medicine and Head of the School of Medicine, University of Melbourne Former Chair of Research Committee, National Health and Medical Research Council
Jeffrey Browne	Director Member of the Advisory Board
<i>Year appointed:</i>	2015
<i>Qualifications and experience:</i>	BA, LLB Chairman and Non-Executive Director, carsales.com Ltd, Moelis Australia Ltd, Premoso Pty Ltd (HSV) Former Director, Sky News Limited Former Managing Director and Director, Nine Network Australia Pty Ltd Father of a daughter and son with type 1 diabetes
Phil Chronican	Director Member of the Advisory Board
<i>Year appointed:</i>	2015
<i>Qualifications and experience:</i>	BCom (Hons), MBA, GAICD Chairman, NSW Treasury Corporation (TCorp) Non-Executive Director, NAB Non-Executive Director, Banking & Finance Oath Non-Executive Director, Bank of New Zealand Former CEO, ANZ Australia Former CEO, Westpac Institutional Bank Former CFO, Westpac Group Husband of late wife with type 1 diabetes

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DIRECTORS' REPORT

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Mike Chuter	Director Chairman of Victorian Corporate Committee
<i>Year appointed:</i>	2013 (<i>resigned Dec 2016</i>)
<i>Qualifications and experience:</i>	Founding Partner, CUBED Communications Co-Founder, Thankful Former Board Director, Association of Data-Driven Marketing and Advertising Former Board Director, Comic Relief Australia Father of a daughter and son of a father both with type 1 diabetes
Rebecca Davies	Director Chair of the Research Committee Member of the Advisory Board Chancellor, JDRFI Member of the JDRFI Research and Nominating and Governance Committees
<i>Year appointed:</i>	1997
<i>Qualifications and experience:</i>	LLB (Hons), BEc, FAICD Company Director Former Partner and board member of a major national law firm Director and chair of various companies in the arts, hospitals, medical research and health sectors Member of the Medical Innovations and Australian Health Ethics Committees of the National Health and Medical Research Council Former member of the Board and current Chancellor, JDRF International Mother of a daughter with type 1 diabetes
Selina Lightfoot	Director Member of the Talent Committee
<i>Year appointed:</i>	2016
<i>Qualifications and experience:</i>	BA/LLB Consultant, Herbert Smith Freehills Director, Queen Elizabeth Centre Advisory Board Member, Nuchev Pty Ltd Advisory Board Member, TLC Aged Care Pty Ltd
Jonathon Salmon	Director Chair of the Funding Committee Member of the Research Committee
<i>Year appointed:</i>	2012
<i>Qualifications and experience:</i>	MAICD Technology Director, Adscensio Former Managing Director, Viatek Technology Director, Unlisted Marketplace Founder, DNS IT and Hosted IT Father of a son with type 1 diabetes

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DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

Director	Full Meeting of Directors*		Finance & Audit Committee**		Funding Committee***		Research Committee****	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Paul Heath	4	4						
Stuart Green	4	3	5	5				
Mike Wilson	4	4						
Kate Aitken	4	4	2	1				
James Best	4	2					3	2
Jeffrey Browne	4	3						
Phil Chronican	4	3						
Mike Chuter	1	1			4	1		
Rebecca Davies	4	4					3	3
Richard Goyder	4	4						
Selina Lightfoot	4	4						
Jonathon Salmon	4	3			4	4	3	3

*The COO attends Board meetings as a guest when invited and appropriate. The CEO and COO attend meetings of the sub committees as guests when invited and appropriate.

** In addition to the Directors listed above, the Finance & Audit Committee includes three independent non-Director members: Boris Musa, Fiona Hindmarsh and Penny Austin.

*** In addition to the Directors listed above, the Funding Committee includes two independent non-Director members: Matt Rady and Dion Werbeloff. Nicola Tan, a non-Director member resigned from her position during the year.

**** In addition to the Directors listed above, the Research Committee includes an independent non-Director member: Dr Tim Fountaine.

OPERATING RESULT

The net result of the company for the financial year was a surplus of \$1,161,394 (2016: surplus of \$61,660). The company is a not-for-profit entity and is exempt from the payment of income tax.

REVIEW OF OPERATIONS

JDRF Australia's mission

Accelerating life-changing breakthroughs to cure, prevent, and treat type 1 diabetes and its complications.

Strategy

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

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

Principal Activities and Performance

JDRF Australia measures performance through the monitoring and oversight of outcomes against budgets and annual operating plans. Regular reporting is provided to the Board and relevant Board Committees including on the following key areas:

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

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DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

Research investment

In FY17 JDRF Australia continued to fund the best and most promising Australian type 1 diabetes research, as well as providing support programs to the Australian type 1 diabetes community. JDRF Australia invested \$10.2m (FY16 \$8.6m) directly in Australian research and support programs, including direct funding for Australian research projects, management of Government-funded research and support initiatives, fellowships, conference grants, postgraduate scholarships, travel grants for young scientists, and a range of other support programs.

The partnership agreement with the Helmsley Charitable Trust (HCT) to jointly fund the Environmental Determinants of Islet Autoimmunity (ENDIA) Study at The University of Adelaide completed year two of a three year grant. At the end of FY17 we had disbursed a total of \$4.3m (FY16 \$2.1m) of HCT funds towards this program.

Government support

The JDRF Australian Clinical Research Network (CRN II) completed its third year of operation in FY17. Of the \$29.6m earmarked for competitive funding \$26.5 (FY16 \$21.6m) has been committed towards research projects of which we have expended \$8.8m (FY16 \$3.8m) at the end of FY17. Our budgeted outlay on research spending in competitive funding for FY18 is \$6.6m (FY17 \$5.1m) based on current estimates of milestones being met during FY18.

In April 2017 a program commenced that provides access to continuous glucose monitoring (CGM) technology to children and young people under 21 with type 1 diabetes, following the Coalition's 2016 Election commitment of \$54m over four years. The Government will provide access to fully-subsidised CGM technology via the National Diabetes Services Scheme. This program is expected to positively impact over 4,000 Australian families living with the burden of T1D.

In December 2016, JDRF signed a multi-year (2017 through 2019) funding agreement with the Department of Health to administer the Insulin Pump Subsidy Program. JDRF successfully achieved the program activity objectives and acquitted \$522k of the funds allocated for FY17.

Financial performance & operations

JDRF Australia raised funds from a variety of sources to support our ability to invest in Australian type 1 diabetes research. In FY17 total revenue increased by 23% to \$17.6m from \$14.3m in FY16. Revenue from Government & Partnership grants increased to \$8.5m in FY17 from \$6.4m in the prior year. Our forecast for Government and Partnership grants in FY18 is \$8.9m driven by the continued growth of the CRN and The Helmsley Charitable Trust

The federally funded JDRF Australia Clinical Research Network (CRN II) expenditure for FY17 was \$6.0m. The federally funded Insulin Pump Programs (IPP) expenditure in FY17 was \$522K, enabling an allocation of 67 pumps to eligible children in FY17, who otherwise would not have been able to access these devices due to their economic circumstances.

Gross fundraising revenue was \$8.5m for FY17, 18% higher than in the previous year. Gross revenue from events increased by \$1.2m compared to FY17 while major contributions increased by \$319k to end the year at \$1.7m. Traditional fundraising events and campaigns all recorded revenue increases on prior year; Community Fundraising (up \$247k) and Gala Balls (up \$255k), One Walk (up \$194k) and One Ride (up \$460k).

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DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

JDRF Australia has cash reserves of \$24.3m as at 30 June 2017. This reserve includes \$18.3m that is committed to the CRN II and \$880k for research funded by the Helmsley Charitable Trust; the remaining cash reserves are held to cover unexpected or sustained downturns in fundraising, so that the organisation can continue to operate, fund research and meet its obligations. Outperformance of fundraising against expectations in the final stages of FY17 produced a stronger than expected surplus of \$1.61m. This has enabled the disbursement of \$636k towards our General Research commitment in the first quarter of FY18, 15% higher than the same time last year.

Community engagement

JDRF Australia's fundraising result and related research investment is not possible without the strong support of the Australian type 1 diabetes community and their family and friends. JDRF Australia continued its active engagement with the type 1 diabetes community, reaching out through the Peer Support Program to over 90% of newly diagnosed children and families known to JDRF Australia. These individuals also receive a KIDSAC or t1d resources pack followed by a peer support call within six weeks of diagnosis. They are then kept informed of key developments at JDRF Australia and in the type 1 diabetes world through the monthly 'Path to a Cure' newsletter, delivering relevant stories and up-to-date research information. JDRF Australia also recognises dedication and commitment in the type 1 diabetes community with the presentation of annual Volunteer Recognition Awards.

Other business

Our Affiliate Agreement between JDRF International and JDRF Australia was executed during FY15. The Agreement governs JDRF Australia's relationship with JDRF International (operating in the USA), giving particular regard to the licencing of the JDRF brand and related intellectual property considerations as well as the coordination of research funding decisions.

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

LIMITATION OF MEMBERS' LIABILITY

The company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* as a company limited by guarantee. If the company is wound up, its Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. At 30 June 2017 the number of members was 4,154 and their collective potential liability was \$8,308.

INDEPENDENCE DECLARATION

The auditor's independence declaration, for the year ended 30 June 2017, as required under subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* has been received and can be found on the following page, which forms part of the Directors' report.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*.

PROCEEDINGS ON BEHALF OF THE COMPANY

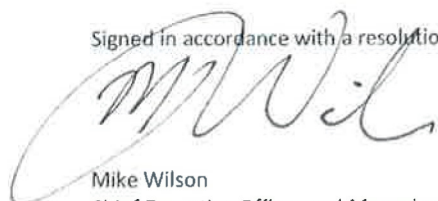
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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DIRECTORS' REPORT

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

A large, stylized handwritten signature in black ink, appearing to read 'M Wilson'.

Mike Wilson
Chief Executive Officer and Managing Director

Sydney, ⁹October 2017

A large, stylized handwritten signature in blue ink, appearing to read 'Stuart Green'.

Stuart Green
Treasurer



Auditor's Independence Declaration

As lead auditor for the audit of JDRF Australia for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to be 'SJ Bourke', written in a cursive style.

SJ Bourke
Partner
PricewaterhouseCoopers

Sydney
9 October 2017

JDRF AUSTRALIA

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CORPORATE GOVERNANCE STATEMENT

JDRF Australia and the JDRF Australia Board are committed to achieving and demonstrating high standards of corporate governance. JDRF Australia's approach to corporate governance was developed with reference to the recommendations released by the Australian Securities Exchange Corporate Governance Council and updated in 2010. The Board continues to review corporate governance practices to ensure they meet the interests of members.

The relationship between the Board and senior management is critical to JDRF Australia's long-term success.

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

Day to day management of JDRF Australia's affairs and its implementation of the corporate strategy and policy initiatives are delegated by the Board to the CEO/Managing Director and senior executives.

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

The Board of Directors

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

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

Directors' independence and conflict of interest

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

Chairman and Chief Executive Officer/Managing Director

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

JDRF AUSTRALIA**FINANCIAL REPORT - 30 JUNE 2017****CORPORATE GOVERNANCE STATEMENT*****Corporate reporting***

- The CEO/Managing Director & COO have made the following certifications to the Board:
- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and are in accordance with relevant accounting standards.
- That the above statement is founded on risk management, internal compliance and control processes that implement the policies approved by the Board

Board committees

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

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

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

Finance & Audit Committee

The Finance & Audit Committee includes the following Directors:

Stuart Green (Treasurer and Chair) and Kate Aiken.

In addition to the Directors listed above, the Finance & Audit Committee includes three independent non-Director members: Boris Musa, Fiona Hindmarsh, and Penny Austin.

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

External auditors

JDRF Australia appoints external auditors who demonstrate quality and independence. The performance of the external auditor, currently PricewaterhouseCoopers, is reviewed annually and applications for tender of external audit services are requested as deemed appropriate.

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

Risk assessment and management

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

Where risks are identified, mitigating strategies and actions are put in place. Reporting has been provided to the Finance & Audit Committee during the 2017 financial year.

JDRF AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	24,266,391	22,181,005
Trade and other receivables	6	960,389	717,269
<i>Total current assets</i>		<u>25,226,780</u>	<u>22,898,274</u>
Non-current assets			
Property, plant and equipment	7	73,817	124,189
Intangible assets	8	7,811	21,098
<i>Total non-current assets</i>		<u>81,628</u>	<u>145,287</u>
TOTAL ASSETS		<u>25,308,408</u>	<u>23,043,561</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	11,287,840	7,932,293
Provisions	10	57,588	37,422
<i>Total current liabilities</i>		<u>11,345,428</u>	<u>7,969,715</u>
Non-current liabilities			
Trade and other payables	9	8,549,496	10,795,713
Provisions	10	71,649	97,692
<i>Total non-current liabilities</i>		<u>8,621,145</u>	<u>10,893,405</u>
TOTAL LIABILITIES		<u>19,966,573</u>	<u>18,863,120</u>
NET ASSETS		<u><u>5,341,835</u></u>	<u><u>4,180,441</u></u>
FUNDS			
Accumulated funds		<u>5,341,835</u>	<u>4,180,441</u>
TOTAL FUNDS		<u><u>5,341,835</u></u>	<u><u>4,180,441</u></u>

JDRF AUSTRALIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue			
Fundraising revenue	4	8,459,960	7,262,931
Government grants	4	8,452,221	6,408,096
Other revenue	4	640,751	639,906
		<u>17,552,932</u>	<u>14,310,933</u>
Expenses			
Administration expenses		(345,686)	(301,546)
Advertising, promotion and printing expenses		(208,658)	(230,372)
Communication and technology expenses		(208,435)	(187,279)
Depreciation and amortisation		(95,967)	(112,080)
Employee benefit expenses		(3,403,753)	(3,174,499)
Education and support expenses		(157,270)	(143,192)
Fundraising expenses		(1,453,376)	(1,239,206)
Occupancy expenses		(314,817)	(303,357)
Research and other grant expenses		(10,203,576)	(8,557,742)
		<u>(16,391,538)</u>	<u>(14,249,273)</u>
Surplus before income tax		1,161,394	61,660
Income tax expense		<u>-</u>	<u>-</u>
Surplus for the year		1,161,394	61,660
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>1,161,394</u></u>	<u><u>61,660</u></u>

JDRF AUSTRALIASTATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Funds \$	Total \$
Balance at 1 July 2015	4,118,781	4,118,781
Comprehensive income		
Surplus for the year	61,660	61,660
Other comprehensive income	-	-
Total comprehensive income for the year	<u>61,660</u>	<u>61,660</u>
Balance at 30 June 2016	<u>4,180,441</u>	<u>4,180,441</u>
Balance at 1 July 2016	4,180,441	4,180,441
Comprehensive income		
Surplus for the year	1,161,394	1,161,394
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,161,394</u>	<u>1,161,394</u>
Balance at 30 June 2017	<u>5,341,835</u>	<u>5,341,835</u>

JDRF AUSTRALIASTATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from fundraising activities		8,152,583	6,878,347
Government and partnership grants received		10,251,649	10,956,329
Interest received		534,148	587,186
Other revenue		46,970	41,801
Payments to suppliers and employees		(6,506,810)	(6,208,126)
Grants and travel awards paid		<u>(10,360,846)</u>	<u>(8,700,934)</u>
<i>Net cash inflows from operating activities</i>		<u>2,117,694</u>	<u>3,554,603</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,308)	(88,388)
Purchase of intangible assets		<u>(5,000)</u>	<u>-</u>
<i>Net cash (outflows) from investing activities</i>		<u>(32,308)</u>	<u>(88,388)</u>
Net increase in cash and cash equivalents		2,085,386	3,466,215
Cash and cash equivalents at the beginning of the financial year		<u>22,181,005</u>	<u>18,714,790</u>
Cash and cash equivalents at the end of the financial year	5	<u>24,266,391</u>	<u>22,181,005</u>

JDRF AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1 - Reporting entity

The financial report is for JDRF Australia as an individual entity and domiciled in Australia. The company is registered under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements were approved by the Board of Directors on 6 October 2017.

Note 2 - Basis of preparation

Statement of compliance

JDRF Australia adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2008 (NSW)*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. The Directors have determined that there are no critical estimates and judgements for this financial year.

New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2016, however none have significantly impacted the company's financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been early adopted by the company. These include:

- AASB 9 *Financial Instruments* (effective for the year ending 30 June 2019)
- AASB 15 *Revenue from Contracts with Customers* (effective for the year ending 30 June 2019)
- AASB 16 *Leases* (effective for the year ending 30 June 2020)
- AASB 1058 *Income of Not-for-profit Entities* (effective for the year ending 30 June 2020)

The Directors' assessment of the impact of these new standards (to the extent applicable to the company) is that none are expected to significantly impact the company's financial statements in future reporting periods.

JDRF AUSTRALIA**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2017**Note 3 - 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.

Income tax

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of taxes including goods and services tax (GST). Revenue is recognised for the major business activities, as follows:

Government grants

In accordance with *AASB 1004: Contributions*, non-reciprocal grant revenue is recognised in the statement of profit and loss when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before JDRF Australia obtains control of the contribution, such as the grant funding which must be spent and the grantor does not seek to claw back the funding, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability, as grants received in advance, until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and fundraising

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

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

Donations in-kind

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

JDRF AUSTRALIA**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2017**Note 3 - Significant accounting policies (continued)*****Revenue recognition (continued)******Interest revenue***

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Foreign currency transactions and balances

Both the functional and presentation currency of the company is Australian dollars. Any transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end of any assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Cash and cash equivalents

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

Trade and other receivables

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Property, plant and equipment**Recognition and measurement**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Carrying Amount

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

JDRF AUSTRALIANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**Note 3 - Significant accounting policies (continued)*****Property, plant and equipment (continued)******Depreciation***

The depreciable amount of all property, plant and equipment is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the company, are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Intangible assets***Software***

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of between 3 and 10 years.

Impairment of assets

Assets that are subject to amortisation 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 flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

JDRF AUSTRALIANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**Note 3 - Significant accounting policies (continued)*****Financial instruments***Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment

At the end of each reporting period, the Directors assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

JDRF AUSTRALIA**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2017**Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)******Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government grants and other contributions recognised under AASB 1004: Contributions as described above under Revenue Recognition – Government Grants, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of comprehensive income.

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

JDRF AUSTRALIANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<u>Note 4 - Revenue</u>		
Fundraising revenue		
Walk to Cure Diabetes	1,072,762	879,413
Merchandising campaign	510	53,533
Gala dinners	1,729,509	1,474,083
Ride to Cure Diabetes	1,227,512	768,004
Jump to Cure Diabetes	-	930
Other fundraising activities	103,333	51,168
Corporate partnership	383,253	800,202
Bequest revenue	311,029	90,767
Community fundraising	1,647,824	1,400,962
Major contributions	1,701,649	1,382,737
Direct mail	233,266	210,092
Donations	49,313	151,040
<i>Total fundraising revenue</i>	<u>8,459,960</u>	<u>7,262,931</u>
Government and partnership grants		
Insulin Pump Program	522,000	522,237
Clinical Research Networks	5,582,906	4,254,645
Partnerships	2,347,315	1,631,214
<i>Total government and partnership grants</i>	<u>8,452,221</u>	<u>6,408,096</u>
Other revenue		
Interest	523,781	533,105
Donations (in-kind)	70,000	65,000
Membership fees	24,503	16,598
Other revenue	22,467	25,203
<i>Total other revenue</i>	<u>640,751</u>	<u>639,906</u>
<i>Total revenue</i>	<u>17,552,932</u>	<u>14,310,933</u>
<u>Note 5 - Cash and cash equivalents</u>		
Cash at bank and on hand	2,734,937	1,979,577
Deposits at call	21,531,454	20,201,428
<i>Total cash and cash equivalents</i>	<u>24,266,391</u>	<u>22,181,005</u>
<u>Note 6 - Trade and other receivables</u>		
<u>Current</u>		
Accrued income	362,052	231,554
Interest receivable	90,623	100,990
GST receivable	437,835	254,071
Other receivables	10,807	33,072
Advance to Glycemic Index Foundation	105	100
Prepayments	58,967	97,482
<i>Total current trade and other receivables</i>	<u>960,389</u>	<u>717,269</u>

JDRF AUSTRALIANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017Note 7 - Property, plant and equipment

	Leasehold Improvements \$	Office Equipment \$	Computers and Electrical \$	Total \$
At 30 June 2016				
Cost	319,316	54,113	222,700	596,129
Accumulated depreciation	(291,121)	(22,606)	(158,213)	(471,940)
<i>Net carrying amount</i>	<u>28,195</u>	<u>31,507</u>	<u>64,487</u>	<u>124,189</u>
Movements in carrying amounts				
Net opening carrying amount	28,195	31,507	64,487	124,189
Additions	-	-	27,308	27,308
Depreciation charge for the year	(17,842)	(7,488)	(52,350)	(77,680)
Net closing carrying amount	<u>10,353</u>	<u>24,019</u>	<u>39,445</u>	<u>73,817</u>
At 30 June 2017				
Cost	319,316	54,113	250,008	623,437
Accumulated depreciation	(308,963)	(30,094)	(210,563)	(549,620)
<i>Net carrying amount</i>	<u>10,353</u>	<u>24,019</u>	<u>39,445</u>	<u>73,817</u>
			2017	2016
			\$	\$

Note 8 - Intangible assets**Software****Movements in carrying amounts**

Net opening carrying amount	21,098	59,405
Additions	5,000	-
Amortisation	(18,287)	(38,307)
Net closing carrying amount	<u>7,811</u>	<u>21,098</u>
At the end of the financial year		
Cost	363,881	358,881
Accumulated amortisation	(356,070)	(337,783)
<i>Net carrying amount</i>	<u>7,811</u>	<u>21,098</u>

JDRF AUSTRALIANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<u>Note 9 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	60,931	102,685
Grants received in advance	10,621,029	7,379,784
Income received in advance	-	15,375
Liabilities to employees	263,680	274,539
Other payables	342,200	159,910
<i>Total current trade and other payables</i>	<u>11,287,840</u>	<u>7,932,293</u>
<u>Non-current</u>		
Grants received in advance	8,549,496	10,795,713
<i>Total non-current trade and other payables</i>	<u>8,549,496</u>	<u>10,795,713</u>
<u>Note 10 - Provisions</u>		
<u>Current</u>		
Employee entitlements - long service leave	57,588	37,422
<i>Total current provisions</i>	<u>57,588</u>	<u>37,422</u>
<u>Non-current</u>		
Employee entitlements - long service leave	71,649	97,692
<i>Total non-current provisions</i>	<u>71,649</u>	<u>97,692</u>
<u>Note 11 - Commitments</u>		
<i>Lease commitments</i>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Within one year	223,382	215,486
Later than one year but no later than five years	434,047	200,466
	<u>657,429</u>	<u>415,952</u>

Note 12 - Events occurring after balance date

There were no significant events occurring after balance date.

Note 13 - Related party transactions***Remuneration of non-executive Directors***

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

Other transactions of directors and director-related entities

Viatek Technology continues to provide a pro-bono IT service to JDRF Australia in the 2017 financial year. The amount of pro bono service is \$70,000 (2016: \$65,000) and is included in note 4. Both entities share a common Director.

JDRF AUSTRALIANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<u>Note 14 - Key management personnel</u>		
<i>Remuneration of key management personnel</i>		
The aggregate amount of compensation paid to key personnel during the year	<u>1,933,308</u>	<u>1,521,664</u>

Note 15 - Limitation of members' liability

The company is incorporated as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$2 per member. At 30 June 2017 the number of members of this company was 4,154 (2016: 3,854).

	2017	2016
	\$	\$
<u>Note 16 - Charitable fundraising activities</u>		
<i>(a) Fundraising income and expenditure</i>		
Gross proceeds from fundraising	8,459,960	7,262,931
Less: Expenses associated directly with undertaking fundraising activity	<u>(1,450,661)</u>	<u>(1,239,030)</u>
Net fundraising income	7,009,299	6,023,901
Less: Indirect fundraising expenses	<u>(2,107,499)</u>	<u>(1,950,669)</u>
Net surplus from fundraising	<u>4,901,800</u>	<u>4,073,232</u>

(b) Key fundraising ratios

Indirect fundraising expenses (A)	2,107,499	1,950,669
Net proceeds from fundraising (B)	7,009,299	6,023,901
(A) divided by (B)	30%	32%
Total cost of fundraising (A)	3,558,160	3,189,699
Gross proceeds from fundraising (B)	8,459,960	7,262,931
(A) divided by (B)	42%	44%
Net surplus from fundraising (A)	4,901,800	4,073,232
Gross proceeds from fundraising (B)	8,459,960	7,262,931
(A) divided by (B)	58%	56%

(c) Fundraising income activities

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

The net proceeds from fundraising are being used for current and future research grants and to offer practical support and education to families of people with type 1 diabetes.

JDRF AUSTRALIA
ABN 40 002 286 553

FINANCIAL REPORT - 30 JUNE 2017

DIRECTORS' DECLARATION

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

The Directors of the JDRF Australia declare that:

1. The financial statements, which comprise the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Declaration made in accordance with the Charitable Fundraising Act 1991

In the opinion of the Directors of JDRF Australia:

1. The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 30 June 2017; and
2. The statement of financial position as at 30 June 2017 gives a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the organisation; and
3. The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the organisation; and
4. The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

These declarations are made in accordance with a resolution of the Board of Directors.


Mike Wilson
Chief Executive Officer and Managing Director

Sydney, 9 October 2017


Stuart Green
Treasurer



Independent auditor's report

To the members of JDRF Australia

Our opinion

In our opinion:

The accompanying financial report of JDRF Australia (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2008 (NSW)*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (c) presenting a true and fair view as required by the *Charitable Fundraising Act 1991 (NSW)* of the financial result of fundraising appeals for the financial year ended 30 June 2017; and
- (d) its associated records have been properly kept, in all material respects, in accordance with the *Charitable Fundraising Regulations 2008 (NSW)* for the financial year ended 30 June 2017;
- (e) money received as a result of fundraising appeals conducted by the company during the year ended 30 June 2017 has been properly accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2008 (NSW)*; and
- (f) there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2008 (NSW)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

A blue ink signature, likely of a representative from PricewaterhouseCoopers, written in a cursive style.

PricewaterhouseCoopers

A blue ink signature, likely of SJ Bourke, written in a cursive style.

SJ Bourke
Partner

Sydney
9 October 2017