

JDRF Australia

ABN 40 002 286 553

Annual report for the year ended 30 June 2021

JDRF Australia

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Annual report - 30 June 2021

Contents

	Page
Directors' report	1
Auditor's independence declaration	11
Corporate governance statement	12
Financial statements	14
Directors' declaration	34
Independent auditor's report to the members	35

Directors' Report

JDRF Australia (JDRF) is registered as a company limited by guarantee not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. The directors present their report on the company for the year ended 30 June 2021.

Directors

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

Richard Goyder AO
Paul Heath
Stuart Green (resigned 19 November 2020)
Mike Wilson OAM
Kate Aitken
Professor James Best AO
Jeffrey Browne
Selina Lightfoot
Jonathan Salmon
Tanya Branwhite (appointed 20 August 2020)
Matthew Rady (appointed 11 March 2021)
Fabienne McKay (appointed 23 June 2021)
Ian Narev (appointed 7 September 2021)

Principal activities and performance

JDRF's main activities include:

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

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

Research investment

In 2021, JDRF continued to fund the best and most promising Australian type 1 diabetes research, as well as providing support programs to the Australian type 1 diabetes community. JDRF invested \$11.7m (2020: \$13.1m) directly in Australian research and support programs, including direct funding for Australian research projects, management of Government-funded research and support initiatives, fellowships, conference grants, postgraduate scholarships, travel grants for young scientists and a range of other support programs.

The Helmsley Charitable Trust (HCT) remains one of JDRF's major mission partners and sources of partnership funding for T1D research. JDRF incurred \$3.2m (2020: \$3.1m) in HCT funded grant expenditure in FY21.

In 2021 JDRF launched the WA Global Centre of Excellence to establish the best models of care for people and especially children living with T1D. This is the first JDRF Global Centre of Excellence in the southern hemisphere and the fourth globally for JDRF network. Funding of \$2m to initiate the Centre was provided by Rio Tinto through the Telethon Trust. JDRF incurred \$1m in grant expenditure relating to this project in FY21 with the balance \$1m budgeted to be acquitted in FY22. Subsequent fundraising activity has secured a multi-year commitment from Rio Tinto and the Telethon Trust to fund the full \$8m, five-year program.

Principal activities and performance (continued)

Government programs and support

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

In 2021, JDRF acquitted \$6m of Government funding as part of CRN research initiatives. The budgeted expenditure on CRN initiatives for 2022 is \$9.3m.

The key pillars of this next 5 years of the CRN includes:

- Support for early and mid-career leadership programs and fellowship
- Funding for Innovation
- Strengthening data and biological tools
- Developing a strategic policy agenda
- Prevention and screening, and
- Promoting Australian sites as a global partner for clinical trials

In 2021 a key focus of the CRN was the JDRF funded general population screening pilot study of people with type 1 diabetes risk in Australia and this will continue into 2022 along with clinical trials that focus on prevention of T1D.

In 2021, JDRF sought to drive greater influence on Government and public policy in Australia. Part of that desire was supported by the development of a more comprehensive and diverse policy agenda for JDRF Australia. A key focus of this agenda is seeking to increase and retain access to diabetes technologies for all Australians living with T1D, which would improve quality of life and reduce the costs of T1D to the individual and the economy. In 2022 this policy agenda will be pursued as part of our campaign in the run up to the General Election.

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

In 2021, 278 insulin pumps have been supplied by JDRF through the Federally funded Insulin Pump Program to eligible applicants, with the acquittal of \$1.38m of subsidies during the year.

In December 2018, the Coalition Government announced a \$100m extension to the existing funding following advocacy by JDRF in partnership with other leading Australian diabetes organisations. The evaluation conducted by JDRF using the Australian Diabetes Data Network, a program of the CRN, JDRF Australia conducts a regular evaluation of the Commonwealth funded program of support for access to continuous glucose monitors. The Australian Diabetes Data Network (ADDN) / Continuous Glucose Monitor (CGM) evaluation was initiated by JDRF in 2017 and in 2020 this evaluation was extended until 2024 with the contract value now totalling \$1.465m.

COVID-19 and the risks associated with ongoing outbreaks have meant that JDRF did not run Gala Balls for the second year in a row, One Walk was converted to a virtual step challenge, and increasing emphasis was placed on building our digital marketing capability.

JDRF was able to achieve significant cost saving on direct fundraising costs as a result of the change made in FY21. Our fundraising focus again included a digital media campaign culminating in our second Giving Day. This year the Giving day achieved \$2m vs \$1.3m in FY20. We secured a matched pool of \$1,377k (\$839k in FY20) donations which we used to leverage on the Giving Day, raising further income of \$664k (\$426k in FY20) from an additional 2,000 donors. This initiative enabled JDRF to contribute \$1.63m towards a portfolio of general research conducted in Australia, in FY21 followed by a further \$277k in July 2021.

COVID-19 has impacted the acquittal of Clinical Research Network milestones and support programs which will be reviewed for acquittal in FY22. Government and advocacy programs were able to continue in a virtual format as were community support programs.

Principal activities and performance (continued)

JDRF was partially eligible for the Federal Government's Job Keeper \$545k (FY20: \$204k) and GST cash flow boost \$50k (FY20: \$50k) COVID-19 relief packages.

There was no significant change in the nature of the activity of the company during the year other than the COVID-19 related impacts detailed above.

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

Review of operations

The net result of the company for the financial year was a surplus of \$1.96m (2020 surplus: \$740k). The company is a not-for-profit entity and is exempt from the payment of income tax.

The \$1.96m surplus in FY21 is a result of timing differences between receipt of income and incurring \$1m in grant expenditure relating to the Global Centre of Excellence and \$277k in general research grants not being paid before the end of June 2021. These amounts will be acquitted in FY22.

JDRF's mission

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

JDRF's strategy

The multi-year strategy has been refreshed during FY21 and recognises four focus areas through which JDRF delivers on its mission:

- Accelerate Australian research to benefit patients
- Supporting tools and talent to accelerate research progress
- Develop evidence and relationships to enhance impact
- Build a connected and engaged community for funding and influence

Financial outcomes

JDRF raises funds from a variety of sources to support the ability to invest in Australian type 1 diabetes research. In FY21, total revenue increased by 0.41% (2020: 13% decrease) to \$19.7m from \$19.7m in 2020. This result was as achieved because of a generous donation of \$2m from the Telethon Trust which helped deliver a \$1.6m increase in fundraising revenue. Other revenue supported by Government COVID-19 relief increased by \$183k. These positive results were offset by delays in milestone payments impacted by COVID-19 Government and Partnership revenue which decreased by \$1.7m.

Community engagement

JDRF's fundraising outcomes and related research investment is only possible with the strong support of the Australian type 1 diabetes community and their family and friends. JDRF continued its active engagement with the type 1 diabetes community. In 2021, JDRF distributed over 1,600 newly diagnosed packs to hospitals and diabetes clinics nationally. These packs are used by Healthcare Professionals to educate and provide support to newly diagnosed and their carers at time of diagnosis. JDRF also distributed over 700 resources/guides to the T1D community to support their own/their loved ones to help support their management of T1D.

Community engagement (continued)

The JDRF Peer Support Program connects newly diagnosed families to mentors that live with type 1 diabetes to share experiences and provide emotional support. In FY21 JDRF offered Peer Support to over 1,300 families. Of these families, 391 (approx. 30%) were connected to a mentor through the program. There are currently 179 Mentors nationally who volunteer their time to provide the much-needed support to families who had a child diagnosed with T1D.

JDRF's T1D Connect closed Facebook groups connect and support over 3,000 members of our community. There are now four online support groups; a teens and young adults (14-24yrs) group, an adult 25+ group, a group for parents/carers and a smaller group that helps parents of newly diagnosed children to navigate through their first year after a T1D diagnosis. These groups are moderated with the assistance of some of our young adult and parent Peer Support Mentors.

The Type One Summit educational conference for the T1D community was held virtually for the first time in March. The conference was the most successful held to date registering over 1,300 people, 3 times the number registered for FY20Summit. The Type One Summit provides educational sessions matching audiences T1D experiences and their needs delivered by both international and local experts. It provides an opportunity for those in regional and remote areas that may not necessarily have access to these types of conferences to find out more from T1D technology partners, T1D clinicians, and connect /share stories with their type one community.

To continue to engage our community in our mission, we rebuilt our jdrf.org.au website to improve navigation, usage on mobile devices and responsiveness. We also overhauled our communication around our mission, developing increased research-based content in all of our campaigns and launching our first podcast series, centred on researchers and people living with T1D.

Other business

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

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

Significant changes in the state of affairs

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

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

Events since the end of the financial year

Except as noted above, no matter or circumstance has arisen since 30 June 2021 that has significantly affected the company's operations, results or state of affairs, or may reasonably and materially do so in future years.

Environmental regulation

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

Information on directors

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

Information on directors (continued)

Richard Goyder AO	
Title	Chair Co-Chair of the Advisory Board
Year appointed	2016
Qualifications and experience	BCom, FAICD Chairman, Qantas Airways, Woodside Petroleum Limited, Australian Football League Commission, West Australian Symphony Orchestra, and Channel 7 Telethon Trust Former Managing Director, Wesfarmers Honorary member of the Business Council of Australia Father of a son with type 1 diabetes
Paul Heath	
Title	Vice-Chair Member of the Board and Investment Committee, JDRF International
Year appointed	2012
Qualifications and experience	BCom, SFFin CEO and Executive Director, Koda Capital Director, JDRF International Member, Endowment Investment Committee of the Benevolent Society Former CEO, JBWere Pty Ltd Father of a daughter with type 1 diabetes
Stuart Green	
Title	Treasurer Chair of the Finance & Audit Committee
Year appointed	2010 (Resigned 19 November 2020)
Qualifications and experience	B.A. (Hons), MBA, FCA, ACMT Executive Director, Macquarie Group Limited Group Treasurer, Macquarie Group Limited
Mike Wilson OAM	
Title	CEO and Managing Director Company Secretary
Year appointed	2011
Qualifications and experience	BSc, BEc (Hons), GAICD CEO, JDRF Australia (since 2004)

Information on directors (continued)

Kate Aitken	
Title	Director Member of the Talent Committee Member of the Finance & Audit Committee
Year appointed	2015
Qualifications and experience	Currently, Head of People and Culture, Optus. Former General Manager, Human Resources Westpac Former Managing Director, Chief of Staff and Co-COO Goldman Sachs Australia and New Zealand Advisory Member of Pride in Diversity's Strategic Executive Forum Member of Chief Executive Women and Scholarship Committee Member Board Member, Bus Stop Films
Professor James Best AO	
Title	Director Chair of the Research Committee
Year appointed	2014
Qualifications and experience	MB BS, MD (Melb), Hon MD (St Andrews), FRACP, FRCPATH, FRCP (Edin), FRCPI (Hon) Visiting professor and former dean, Lee Kong Chian School of Medicine, Singapore Emeritus Professor and former head of the School of Medicine, University of Melbourne Former Chair of the Research Committee, National Health and Medical Research Council
Jeffrey Browne	
Title	Director Member of the Advisory Board
Year appointed	2015
Qualifications and experience	BA, LLB Chairman and Non-Executive Director, Walkinshaw Automotive Group Pty Ltd, MA Financial Group Former Chairman and Non-Executive Director of carsales.com Ltd Former Director, Sky News Limited Former Managing Director and Director, Nine Network Australia Pty Ltd Father of a daughter and son with type 1 diabetes

Information on directors (continued)

Selina Lightfoot	
Title	Director Chair of the Talent Committee
Year appointed	2016
Qualifications and experience	BA/LLB Non-Executive Director, Hydro Tasmania Non-Executive Director, The Reject Shop Limited Non-Executive Director, Victorian Opera Non-Executive Director, Nuchev Limited Advisory Board Member, TLC Aged Care Pty Ltd Former Partner, Herbert Smith Freehills
Jonathan Salmon	
Title	Director Chair of the Funding Committee Member of the Research Committee Member of the Finance and Audit Committee
Year appointed	2012
Qualifications and experience	Managing Director, Adscensio Chairman, Techelevate Director, WithWine Founder, DNS IT and Hosted IT Father of a son with type 1 diabetes
Tanya Branwhite	
Title	Director / Treasurer Chair of the Finance and Audit Committee
Year appointed	2020
Qualifications and experience	BCom (Hons), Master of Finance, Master of Applied Finance, FAICD Head of Portfolio Construction, TCorp. Former Director Market Insights and Portfolio Implications, Future Fund, and former Executive Director Macro Research Macquarie Group. Served on the International Accounting Standards Board Capital Market's Advisory Committee (CMAC) Former Director of Not for Profit organisations - MS Research Australia, Oz Harvest, the Anika Foundation and Macquarie Group Foundation.

Information on directors (continued)

Matthew Rady	
Title	Director Member of the Funding Committee
Year appointed	2021
Qualifications and experience	BEC, Adelaide Associate, Institute of Chartered Accountants (Alumni) Fellow, Securities Institute of Australia (Alumni) GAICD CEO BT Financial Group Former CEO Allianz Australia Life Insurance Ltd Former Group Executive, IRESS Ltd Former Executive Director, Macquarie Group Prior Director of JDRF Australia 2007-2009
Fabienne Mackay	
Title	Director Member of Research Committee
Year appointed	2021
Qualifications and experience	PhD, FAHMS Director and CEO, QIMR Berghofer Medical Research Institute Honorary Professor, Faculty of Medicine, University of Queensland Honorary Professor, Faculty of Medicine, Dentistry and Health Sciences, University of Melbourne Member of the QIMR Berghofer Council, Faculty of Medicine, Nursing and Health Sciences, Monash Former Head of the Department of Pathology, School of Biomedical Sciences, University of Melbourne
Ian Narev	
Title	Director Co-chair of the Advisory Board
Year appointed	2021
Qualifications and experience	Bachelor of Arts and Law (Honours) from the University of Auckland, Masters of Law from Cambridge University (International Corporate Law) and New York University (International Relations). Managing Director and Chief Executive Officer of SEEK. Former Chief Executive Officer, Commonwealth Bank of Australia Former partner of McKinsey and Company. Non-profit board roles in education and the performing arts, and advisory board roles in private equity and fintech.

Limitation of members' liability

The company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* as a company limited by guarantee. If the company is wound up, its Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. At 30 June 2021, the number of members was 4,014 (2020: 3,795) and their collective potential liability was \$8,028 (2020: \$7,590).

Meetings of directors

The numbers of meetings of the company's Board of directors and of each Board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director were:

	Full meetings of directors		Finance and audit Committee*		Funding Committee**		Research Committee***		Talent Committee****	
	A	B	A	B	A	B	A	B	A	B
Richard Goyder AO	3	4	-	-	-	-	-	-	-	-
Paul Heath	4	4	-	-	-	-	-	-	-	-
Stuart Green	2	2	4	4	-	-	-	-	-	-
Mike Wilson OAM	4	4	7	7	-	-	-	-	-	-
Kate Aitken	3	4	5	7	-	-	-	-	4	4
Professor James Best AO	4	4	-	-	-	-	4	4	-	-
Jeffrey Browne	3	4	-	-	-	-	-	-	-	-
Selina Lightfoot	4	4	-	-	-	-	-	-	4	4
Jonathan Salmon	4	4	7	7	5	6	4	4	-	-
Tanya Branwhite	3	3	6	6	-	-	-	-	-	-
Fabienne McKay	1	1	-	-	-	-	-	-	-	-
Matthew Rady	2	2	-	-	2	2	-	-	-	-
Ian Narev	-	-	-	-	-	-	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

Stuart Green stepped down from the Board on 19 November 2020.

Tanya Branwhite joined the Board 19 November 2020.

Matthew Rady joined the Board 11 March 2021.

Fabienne Mackay joined the Board 23 June 2021.

Belinda Cooney joined Finance and Audit Committee on 22 April 2021.

Boris Musa stood down from the Finance and Audit Committee on 22 April 2021.

* = In addition to the directors listed above, the Finance and Audit Committee includes two independent non-Director members: Belinda Cooney and David Keenan.

** = In addition to the directors listed above, the Funding Committee includes two independent non-Director members: Dion Werbeloff and Philip Gardner

*** = In addition to the directors listed above, the Research Committee includes an independent non-Director members: Dr John Males.

**** = In addition to the directors listed above, the Talent Committee includes an independent non-Director member: Orla NicDomhail.

Proceedings on behalf of the company

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

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

Auditor's independence declaration

The auditor's independence declaration, for the year ended 30 June 2021 as required under subdivision 60C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* has been received and can be found on the following 11, which forms part of the Directors' report.

Auditor

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

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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

DocuSigned by:

5A47A641388448F...
Mike Wilson OAM
Director

DocuSigned by:

54553DCC4C664B1...
Tanya Branwhite
Director

Sydney
29 October 2021



Auditor's Independence Declaration

As lead auditor for the audit of JDRF Australia for the year ended 30 June 2021, 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 black ink that reads 'Rosalie Wilkie'.

Rosalie Wilkie
Partner
PricewaterhouseCoopers

Sydney
29 October 2021

PricewaterhouseCoopers, ABN 52 780 433 757

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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 broadly in accordance with the Australian Securities Exchange Corporate Governance Council. The Board continues to review corporate governance practices to ensure they meet the interests of members.

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

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

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

The Board of Directors

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

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

Directors' independence and conflict of interest

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

Chairman and Chief Executive Officer/Managing Director

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

Corporate reporting

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

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

Board committees

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

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

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

Finance and Audit Committee

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

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

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

External auditors

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

The external auditor is requested to report to the Finance and Audit Committee and be available to answer questions about the audit report. The auditors are afforded the opportunity to brief the Finance and Audit Committee without management present.

Risk assessment and management

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

Where risks are identified, mitigating strategies and actions are put in place. Risk reporting has been provided to the Finance and Audit Committee during the 2021 financial year.

JDRF did not have any safety related risks to report during the financial year.

JDRF Australia

ABN 40 002 286 553

Financial report - 30 June 2021

Contents

	Page
Financial statements	
Statement of comprehensive income	15
Statement of financial position	16
Statement of changes in funds	17
Statement of cash flows	18
Notes to the financial statements	19
Directors' declaration	34
Independent auditor's report to the members	35

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

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

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

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

The financial statements were authorised for issue by the Directors on 29 October 2021. The Directors have the power to amend and reissue the financial statements.

JDRF Australia
Statement of comprehensive income
For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	4	19,791,459	19,710,997
Other (expenses)/income		(55,912)	166,167
Administration expenses		(324,324)	(185,305)
Advertising, promotion and printing expenses		(364,643)	(257,714)
Communication and technology expenses		(356,957)	(406,270)
Depreciation and amortisation expense	5	(309,473)	(301,522)
Employee benefits expenses		(4,394,624)	(4,230,725)
Education and support expenses		(171,469)	(208,076)
Fundraising expenses		(278,024)	(632,692)
Occupancy expenses		(48,540)	(58,172)
Research and other grant expenses		(11,523,961)	(12,850,357)
Finance expenses		(9,243)	(5,890)
Surplus before income tax		1,954,289	740,441
Income tax benefit/(expense)		-	-
Surplus for the year		1,954,289	740,441
Other comprehensive income			
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		1,954,289	740,441

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

JDRF Australia
Statement of financial position
As at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	21,757,504	18,106,239
Trade receivables	7	99,656	105,504
Other current assets	8	63,333	361,428
Total current assets		<u>21,920,493</u>	<u>18,573,171</u>
Non-current assets			
Property, plant and equipment	9	54,978	21,443
Right-of-use assets	10	361,057	110,099
Intangible assets	11	140,351	193,001
Total non-current assets		<u>556,386</u>	<u>324,543</u>
Total assets		<u>22,476,879</u>	<u>18,897,714</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	12,875,820	11,628,111
Lease liabilities	10	175,400	85,760
Employee benefit obligations	13	539,169	429,558
Total current liabilities		<u>13,590,389</u>	<u>12,143,429</u>
Non-current liabilities			
Lease liabilities	10	182,617	19,043
Employee benefit obligations	13	60,063	45,721
Total non-current liabilities		<u>242,680</u>	<u>64,764</u>
Total liabilities		<u>13,833,069</u>	<u>12,208,193</u>
Net assets		<u>8,643,810</u>	<u>6,689,521</u>
FUNDS			
Accumulated funds		<u>8,643,810</u>	<u>6,689,521</u>
Total funds		<u>8,643,810</u>	<u>6,689,521</u>

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

JDRF Australia
Statement of changes in funds
For the year ended 30 June 2021

	Accumulated funds \$	Total equity \$
Balance at 1 July 2019	5,867,208	5,867,208
Adjustment on adoption of AASB 1058	81,872	81,872
Restated total funds at 1 July 2019	<u>5,949,080</u>	<u>5,949,080</u>
Surplus for the year	740,441	740,441
Total comprehensive income for the year	<u>740,441</u>	<u>740,441</u>
Balance at 30 June 2020	<u>6,689,521</u>	<u>6,689,521</u>
Balance at 1 July 2020	<u>6,689,521</u>	<u>6,689,521</u>
Surplus for the year	1,954,289	1,954,289
Total comprehensive income for the year	<u>1,954,289</u>	<u>1,954,289</u>
Balance at 30 June 2021	<u>8,643,810</u>	<u>8,643,810</u>

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

JDRF Australia
Statement of cash flows
For the year ended 30 June 2021

	2021	2020
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	8,057,100	6,817,145
Payments to suppliers and employees (inclusive of GST)	<u>(4,475,107)</u>	<u>(5,301,346)</u>
	3,581,993	1,515,799
Government and partnership grants received (inclusive of GST)	11,955,321	12,619,218
Grants and education support expenses paid (inclusive of GST)	<u>(12,278,318)</u>	<u>(13,735,434)</u>
Other income	599,500	233,836
Interest received	90,114	278,882
Interest paid	<u>(9,243)</u>	<u>(5,890)</u>
Net cash inflow from operating activities	<u>3,939,367</u>	<u>906,411</u>
Cash flows from investing activities		
Payments for property, plant and equipment	<u>(67,097)</u>	<u>(16,329)</u>
Net cash outflow from investing activities	<u>(67,097)</u>	<u>(16,329)</u>
Cash flows from financing activities		
Principal elements of lease payments	<u>(221,005)</u>	<u>(232,572)</u>
Net cash (outflow) from financing activities	<u>(221,005)</u>	<u>(232,572)</u>
Net increase in cash and cash equivalents		
	3,651,265	657,510
Cash and cash equivalents at the beginning of the financial year	<u>18,106,239</u>	<u>17,448,729</u>
Cash and cash equivalents at end of year	<u>21,757,504</u>	<u>18,106,239</u>

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

Contents of the notes to the financial statements

	Page
1 Summary of significant accounting policies	20
2 Financial risk management	26
3 Critical estimates, judgements and errors	26
4 Revenue	27
5 Expenses	28
6 Cash and cash equivalents	28
7 Trade receivables	28
8 Other current assets	29
9 Property, plant and equipment	29
10 Leases	30
11 Intangible assets	30
12 Trade and other payables	31
13 Employee benefit obligations	31
14 Accumulated funds	31
15 Limitation of members' liability	31
16 Contingent liabilities and contingent assets	32
17 Commitments	32
18 Related party transactions	32
19 COVID-19 impact	32
20 Events occurring after the reporting period	32
21 Information and declaration to be furnished under the Charitable Fundraising Act 1991 (NSW)	33

1 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

(ii) Historical cost convention

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

(iii) Reclassifications

Certain prior year comparatives have been reclassified to conform with current year presentation.

(iv) New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2020:

- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material* [AASB 101 and AASB 108]
- *Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework*.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

1 Summary of significant accounting policies (continued)

(c) Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

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

Supply of insulin pumps to patients

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

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

1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

Donations in-kind

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

Interest income

Interest income is recognised using the effective interest method.

(d) 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 consolidated entity will comply with all attached conditions.

COVID-19 Wage Subsidy

The COVID-19 Jobkeeper payment scheme is recognised as other income when the employer is reasonably assured that it will comply with the conditions attached to it, and the grant will be received. The grant is recognised as a receivable when the associated wage payments are made. Receipt of reimbursements from the ATO during the current financial year reduced the receivable.

AASB 120 required the entities to match income and expenses. It allows a presentation choice for the grant of:

- presentation as "other income"; or
- being deducted from the related expenses.

While this is at the option of the employer, the chosen approach must be applied in a manner consistent with accounting policies applied to similar government grants.

During the financial period, the consolidated entity received government assistance as part of the JobKeeper payment scheme and GST cash flow boost and recognised \$544,650 and \$50,000 respectively as "Other revenue" in note 4.

(e) 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.

(f) Leases

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

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

1 Summary of significant accounting policies (continued)

(f) Leases (continued)

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

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

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

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

To determine the incremental borrowing rate, the company:

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

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

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

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

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

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

Extension and termination options

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

1 Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Trade receivables

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

(i) Property, plant and equipment

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

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

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

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

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

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

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

(j) Intangible assets

(i) Software

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

1 Summary of significant accounting policies (continued)

(k) Trade and other payables

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

(l) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Retirement benefit obligations

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

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest dollar.

2 Financial risk management

(a) Market risk

(i) Foreign exchange risk

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

(ii) Cash flow and fair value interest rate risk

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

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

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

3 Critical estimates, judgements and errors

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

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. This includes the allocation of staff costs against various government grants as specified in the opportunity guidelines.

(b) Critical accounting estimates and assumptions

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

JDRF Australia
Notes to the financial statements
30 June 2021
(continued)

4 Revenue

	2021	2020
	\$	\$
Fundraising revenue		
OneWalk	1,222,815	1,312,991
Gala dinners	-	228,750
OneRide	-	68,438
Bequest revenue	19,334	154,016
Community fundraising	686,077	738,307
Corporate partnerships	250,866	447,000
Donations	5,771,839	3,336,195
Trusts and Foundations	50,250	161,000
Total fundraising revenue	8,001,181	6,446,697
Government and partnership grants		
Insulin Pump Program	1,551,500	1,534,632
Clinical Research Network	6,019,237	8,104,752
Partnerships	3,211,786	3,065,478
Other Govt. programs and support	335,041	68,697
Total government and partnership grants	11,117,564	12,773,559
Other revenue		
Interest	73,214	256,904
Membership fees	3,880	1,671
Other revenue	595,620	232,166
Total other revenue	672,714	490,741
	19,791,459	19,710,997

COVID-19 necessitated an adjustment of fundraising plans and activities, generating a negative impact on income from Gala dinners and Community Fundraising, for a second year running. This shortfall was partly offset by another successful Giving Day (in Jun-21) supported by digital marketing activity.

In 2021, the company recognised government assistance in the form of cash booster (\$50,000) and JobKeeper (\$544,650). These have been included in other revenue.

JDRF Australia
Notes to the financial statements
30 June 2021
(continued)

5 Expenses

	2021	2020
	\$	\$
<i>Depreciation</i>		
Right-of-use assets	223,261	227,278
Furniture, fittings and equipment	1,875	14,271
Plant and equipment	31,687	7,324
	256,823	248,873
<i>Amortisation</i>		
Software	52,650	52,649
	52,650	52,649
 Total depreciation and amortisation	 309,473	 301,522

6 Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	4,056,587	2,105,322
Deposits at call	17,700,917	16,000,917
	21,757,504	18,106,239

7 Trade receivables

	2021	2020
	\$	\$
Other receivables	99,656	105,504
	99,656	105,504

JDRF Australia
Notes to the financial statements
30 June 2021
(continued)

8 Other current assets

	2021	2020
	\$	\$
Prepayments	57,222	61,898
GST receivables	-	276,519
Interest receivables	6,111	23,011
	63,333	361,428

9 Property, plant and equipment

	Plant and equipment	Furniture, fittings and equipment	Leasehold improvements	Total
	\$	\$	\$	\$
At 1 July 2020				
Cost	302,828	55,611	319,316	677,755
Accumulated depreciation	(284,161)	(52,835)	(319,316)	(656,312)
Net book amount	18,667	2,776	-	21,443
Year ended 30 June 2021				
Opening net book amount	18,667	2,776	-	21,443
Additions	66,916	181	-	67,097
Depreciation charge	(31,687)	(1,875)	-	(33,562)
Closing net book amount	53,896	1,082	-	54,978
At 30 June 2021				
Cost	369,744	55,792	319,316	744,852
Accumulated depreciation	(315,848)	(54,710)	(319,316)	(689,874)
Net book amount	53,896	1,082	-	54,978

JDRF Australia
Notes to the financial statements
30 June 2021
(continued)

10 Leases

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

(a) Amounts recognised in the statement of financial position

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

	2021 \$	2020 \$
Right-of-use assets		
Office premises	361,057	110,099
	<u>361,057</u>	<u>110,099</u>
Lease liabilities		
Current	175,400	85,760
Non-current	182,617	19,043
	<u>358,017</u>	<u>104,803</u>

Additions to the right-of-use assets during the 2021 financial year were \$474,218 (2020: \$32,613).

(b) Amounts recognised in the statement of comprehensive income

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

	2021 \$	2020 \$
Depreciation charge of right-of-use assets		
Office premises	223,261	227,278
	<u>223,261</u>	<u>227,278</u>

The total cash outflow for leases in 2021 was \$236,581 (2020: \$238,462).

11 Intangible assets

	Software \$
At 30 June 2020	
Cost	627,129
Accumulated amortisation and impairment	<u>(434,128)</u>
Net book amount	<u>193,001</u>

JDRF Australia
Notes to the financial statements
30 June 2021
(continued)

11 Intangible assets (continued)

	Software \$
Year ended 30 June 2021	
Opening net book amount	193,001
Amortisation charge	(52,650)
Closing net book amount	140,351
At 30 June 2021	
Cost	627,129
Accumulated amortisation and impairment	(486,778)
Net book amount	140,351

12 Trade and other payables

	2021 \$	2020 \$
Trade payables	597,727	81,141
Government and partnership grants	11,482,641	11,227,771
GST payable	35,036	-
Other payables	760,416	319,199
	12,875,820	11,628,111

13 Employee benefit obligations

	2021			2020		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations	539,169	60,063	599,232	429,558	45,721	475,279

Leave obligations

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

14 Accumulated funds

	2021 \$	2020 \$
Balance 1 July	6,689,521	5,867,208
Surplus for the year	1,954,289	740,441
Adoption of new accounting standard	-	81,872
Balance 30 June	8,643,810	6,689,521

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 2021, the number of members of this company was 4,014 (2020: 3,795).

16 Contingent liabilities and contingent assets

The company had no contingent liabilities or contingent assets at 30 June 2021 (2020: nil).

17 Commitments

The company had no capital commitments as at 30 June 2021 (2020: \$nil).

18 Related party transactions

(a) Key management personnel compensation

	2021	2020
	\$	\$
Total key management personnel compensation	2,722,450	2,222,203

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

Increase in Key Management Personnel compensation is due to the absence of any LTI / STI provision in FY20 and vacancies which were filled during FY21.

(b) Transactions with other related parties

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

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

19 COVID-19 impact

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

20 Events occurring after the reporting period

Except as noted in note 19, no other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company or economic entity in subsequent financial years.

JDRF Australia
Notes to the financial statements
30 June 2021
(continued)

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

(a) Fundraising income and expenditure

	2021 \$	2020 \$
Gross proceeds from fundraising	8,078,274	6,446,697
Less: Expenses associated directly with undertaking fundraising activity	(518,054)	(817,625)
Net fundraising income	7,560,220	5,629,072
Less: Indirect fundraising expenses	(1,066,214)	(1,082,439)
Net surplus from fundraising	6,494,006	4,546,633

(b) Key fundraising ratios

	2021 \$	2020 \$
Indirect fundraising expenses (A)	1,066,214	1,082,439
Net proceeds from fundraising (B)	7,560,220	5,629,072
(A) divided by (B)	14%	19%
Total cost of fundraising (C)	1,584,269	1,900,065
Gross proceeds from fundraising (D)	8,078,274	6,446,697
(C) divided by (D)	20%	29%
Net surplus from fundraising (E)	6,494,006	4,546,633
Gross proceeds from fundraising (F)	8,078,274	6,446,697
(E) divided by (F)	80%	71%

(c) Fundraising income activities

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

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

**JDRF Australia
Directors' declaration
30 June 2021**

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

The directors of JDRF declare that:

- (a) The financial statement, which comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australia Charities and Non-for-profits Commission Act 2012* and:
 - (i) complying with Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profit Commission Regulation 2013*; and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and
- (b) In the opinion of the directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

In the opinion of the directors of JDRF:

- (a) The financial statement and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 30 June 2021; and
- (b) The statement of financial position as at 30 June 2021 give a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the organisation; and
- (c) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, the conditions attached to the authority to fundraise have been complied with by the organisation and
- (d) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

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

DocuSigned by:

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Mike Wilson OAM
Director

DocuSigned by:

54553DCC4C664B1...
Tanya Branwhite
Director

Sydney
29 October 2021



Independent auditor's report

To the members of JDRF Australia

Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in funds for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
29 October 2021