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JDRF Australia

ABN 40 002 286 553

Annual report
for the year ended 30 June 2022

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Annual report - 30 June 2022

Contents

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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 2022.

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):

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

JDRF's mission

JDRF Australia are working toward a world without type 1 diabetes (T1D). Its 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 was 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

Principal activities and performance

JDRF's main activities include:

- Research strategy and investment
- Government programs and policy
- Fundraising and philanthropy operations
- Community programs and engagement

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

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Principal activities and performance (continued)

Research strategy and investment

Research portfolio

In 2022, JDRF continued to fund the best and most promising Australian type 1 diabetes (T1D) research, as well as providing support programs to the Australian T1D community. JDRF invested $14.9m (2021: $11.7m) directly in Australian research and support programs, including management of Government-funded research and support initiatives, fellowships, conference grants, postgraduate scholarships, travel grants for early-mid career scientists and a range of other support programs.

JDRF also contributed $2.23m towards a portfolio of type 1 diabetes projects conducted in Australia (2021: $1.63m), spanning the entire research portfolio from early discovery through to cures.

Mission partnerships

The Leona M. and Harry B. Helmsley Charitable Trust (HCT) remains one of JDRF's major mission partners and sources of partnership funding for T1D research. JDRF delivered $2.1m (2021: $3.2m) in HCT-funded grant expenditure in FY22.

In 2021 JDRF launched the Rio Tinto Children's Diabetes Centre, a JDRF Global Centre of Excellence (CoE) in Western Australia. The goal of the CoE is to identify the optimal 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 the JDRF network. JDRF secured a multi-year commitment from Rio Tinto through the Telethon Trust to fund the full $8m, five-year investment in the CoE. To date, $4m in funding has been received for this project of which $1m was expensed against key committed milestones in 2021 and a further $328k in 2022, leaving the balance $2.672m in retained earnings with $1.275m forecast to be expensed in 2023 against key committed milestones.

JDRF secured the increased renewal of multi-year commitment from an anonymous donor, which was directed to the JDRF T1D Fund (a philanthropic venture fund that invests in early-stage companies with T1D commercial potential, focused on cures with returns recycled to the fund). $1.723m from this donor was invested in the T1D Fund in 2022 (2021: $750k).

Research acquittals

COVID-19 has impacted the pace of acquittal of some Clinical Research Network grant milestones, some of which will be deferred for acquittal in FY23 with timing impact only and no impact on overall budget or scientific intent.

Government programs and policy

Government-funded research initiatives and progress

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

In 2022, JDRF acquitted $7.5m (2021: $6m) of Government funding as part of CRN research initiatives.

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Principal activities and performance (continued)

The key pillars of the next five years of the CRN include:

- 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 partner for multinational clinical trials

JDRF's research strategy and global network guarantee that the projects funded address unanswered questions across the full lifecycle of T1D breakthroughs, from early discovery through to patient care.

In 2022 alone, JDRF's research advances included exciting developments for islet transplantation and disease modifying therapies, with great progress for local general population screening. These present great hope for our community, with real positive steps towards our mission of improving lives today and tomorrow by accelerating lifechanging breakthroughs to cure, prevent and treat T1D and its complications.

Advocacy for access to T1D management technologies

JDRF also maintained its focus and efforts towards increasing access to type 1 diabetes management technologies, particularly glucose monitoring devices, for all Australians living with T1D. Subsidised access to these costly devices was previously provided only up until the age of 21 or for other select categories and an expanded subsidy available for all Australians diagnosed with T1D would improve quality of life and reduce the cost of the condition to the individual and the economy.

JDRF's advocacy campaign (known as "Access for All") to secure this was pursued vigorously and successfully in the lead up to the May 2022 Federal election in Australia. This resulted in a $273.1m bipartisan commitment to increasing technology access for all Australians with T1D, to be commenced from 1 July 2022. Following the Federal Election, the implementation begun under the Albanese Government, transforming management options available to the T1D community.

The Insulin Pump Program

A new four-year contract was agreed between the Commonwealth Government funded Insulin Pump Program and JDRF Australia from 1 July 2022 - 30 June 2026. The contract provides $1.35m per annum over a four-year period, securing a total of $5.34m in funding for insulin pumps. This program will provide a minimum of 246 insulin pumps each financial year to eligible children under 18. The Government has committed to extending the program to eligible young Australians under the age of 21.

The ADDN CGM Evaluation

JDRF Australia oversees 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, was extended until 2024 - with the contract value now totalling $1.465m.

Fundraising and philanthropy operations

The philanthropy portfolio

During the COVID-19 pandemic, JDRF placed a stronger focus on the philanthropy portfolio, needing to move away from in-person events with reduced community fundraising activity. As a result, JDRF was able to grow philanthropy revenue and secure multi-year commitments from Rio Tinto via the Telethon Trust to fund the Rio Tinto Children's Diabetes Centre - A JDRF Global Centre of Excellence, and for the T1D Fund via an anonymous donor, totalling $3.73m in 2022 (2021: $2.75m).

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Principal activities and performance (continued)

Peer to peer fundraising campaigns

The ongoing risks and restrictions associated with COVID-19 outbreaks meant that in-person events were not feasible. Due to this, JDRF did not run Gala Balls for the third consecutive year, pivoting to replace that revenue through its third virtual Giving Day - through which corporate partners and major donors match community donations, doubling their impact. In 2022, the Giving Day achieved $2m (2021: $2m), a significant outcome against a backdrop of rising interest rates and emerging economic uncertainty. A matched pool of $1.34m (2021: $1.4m) was secured which was used to leverage donations on the Giving Day, raising further revenue of $656k (2021: $685k).

JDRF's flagship fundraising campaign, the One Walk Step Challenge, also remained as virtual, with most of the marketing support to promote the campaign in-housed successfully, raising $1.4m (2021: $1.2m).

Increased focus on Community Fundraising also saw the Blue Army, which was launched in 2021, deliver $884k (2021: $686k) in fundraising revenue, with activities spanning hair dying and sky diving.

Government House functions

2022 marked the 50th year of JDRF in Australia, having started out as the Diabetes Youth Foundation in 1972 before becoming the Juvenile Diabetes Foundation in 1982 and subsequently the Juvenile Diabetes Research Foundation and then JDRF Australia. Functions were hosted by the Governors in WA, SA, TAS, and VIC at their state Government Houses, with an additional function hosted by the Governor General in the ACT to mark this occasion. This allowed JDRF to return to a level of in person activity, to thank and recognise key volunteers, advocates, supporters, and major donors. A further event will be hosted by the Governor General at Admiralty House in NSW in December 2022.

Fundraising costs

JDRF has been able to manage the direct costs of fundraising tightly both during and post the pandemic, partly due to running few in-person events and pivoting towards more digitally focused marketing campaigns.

Marketing costs in FY21 were subsidised by grants which did not recur in FY22; hence we saw an increase in our marketing costs overall. Investment in brand awareness and digital marketing campaigns to support fundraising activity proved to be more expensive than the previous year, based on the increasing cost of conversion across digital channels due to the hotly contested media space between both the General Election and retail more broadly, given the economic environment through COVID-19.

Community programs and engagement

JDRF increased its active engagement with the type 1 diabetes community by continued development of support and resources for every age and stage of life with the condition.

The newly diagnosed educational support packs ('KIDSAC') remain an important resource for families with a child newly diagnosed. They are distributed at no cost to healthcare professionals, who provide the packs to patients at time of diagnosis to aid with their transition to life with T1D. In FY22, over 1600 packs were distributed to hospitals and clinics Australia wide.

An online educational hub was also created on the JDRF website, offering free downloadable resources, videos, and blogs to support people living with T1D and their carers. The adult T1D management guide 'Straight to the Point' had over 1300 downloads in FY22.

In December 2021, JDRF launched the Rufus the Bear educational and interactive App. The new, free mobile companion App opens a new world of digital learning and play for a newly diagnosed child and their family. The App has been downloaded more than 1600 times since its launch.

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Principal activities and performance (continued)

In FY22, JDRF's 'Breathe' mental wellbeing program for families of children living with T1D was piloted. The program was specifically developed for parents and carers and is facilitated by a mental health expert to deliver coping strategies for life with T1D. All sessions have been fully subscribed, with a total of 300 parents attending the online sessions throughout the year. This program complements the existing JDRF Peer Support Program, that offers mentor support to parents at time of their child's diagnosis. The Peer Support Program volunteers made over 1000 calls to families in FY22 offering mentor support. From these calls, 382 families were connected to trained peer support mentors.

JDRF also provide community support and connection through various JDRF's T1D Connect Facebook support groups. Total membership across the parent, young adult, and adult groups at the end of FY22 was 5,294.

In March 2022, JDRF hosted its annual Type One Summit. The Type One Summit provides education and updates across leading T1D research breakthroughs, technology and therapy progress, and resources, matching audience segments and their needs to curated sessions, delivered by both international and local experts. The Summit was again delivered virtually, increasing reach to over 1400 registrations nationally.

Review of operations

In FY22, JDRF was partially eligible for the Federal Government's JobKeeper allowance $234k (2021: $545k) but not the GST cash flow boost (2021: $50k) COVID-19 relief packages.

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

Financial outcomes

JDRF raises funds from a variety of sources to support the ability to invest in Australian type 1 diabetes research. In FY22, total revenue increased by 15.4% (2021: 0.41% increase) to $22.83m from $19.79m in 2021. This result was achieved due to positive results in donation, bequests and One Walk fundraising, and an increase in Clinical Research Network revenue recognised.

The net result of the company for the financial year was a surplus of $1.42m (2021: $1.96m). The company is a not-for-profit entity and is exempt from the payment of income tax.

The $1.42m surplus in FY22 is largely because of the timing differences between receipt of $2m in income and expenditure of $328k in grant expenditure relating to the Global Centre of Excellence.

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

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

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2022 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.

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Information on Directors

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

Ian Narev	
Title	Chair 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.

Richard Goyder AO	
Title	Former Chair Co-Chair of the Advisory Board
Year appointed	2016 (Resigned 19 November 2021)
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

Matthew Rady	
Title	Vice-Chair Member of the Funding Committee
Year appointed	2021
Qualifications and experience	BEc, Adelaide, GAICD Associate, Institute of Chartered Accountants (Alumni) Fellow, Securities Institute of Australia (Alumni) 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

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Information on Directors (continued)

Paul Heath	
Title	Director 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

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)

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

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

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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, Victorian Opera Non-Executive Director, Nuchev Limited Advisory Board Member, TLC Aged Care Former Partner, Herbert Smith Freehills Former Non-Executive Director, The Reject Shop Former Non-Executive Director, DWS Limited

Jonathan Salmon	
Title	Director Chair of the Funding Committee Chair 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.

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Information on Directors (continued)

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

Professor James Best AO	
Title	Director Former Chair of the Research Committee
Year appointed	2014 (Resigned 19 November 2021)
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

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 2022, the number of members was 3,716 (2021: 4,014) and their collective potential liability was $7,432 (2021: $8,028).

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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 2022, 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
Ian Narev	3	3	-	-	-	-	-	-	-	-
Richard Goyder AO	1	2	-	-	-	-	-	-	-	-
Matthew Rady	4	4	-	-	4	4	-	-	-	-
Paul Heath	4	4	4	4	-	-	-	-	-	-
Mike Wilson OAM	4	4	-	-	-	-	-	-	-	-
Kate Aitken	3	4	4	4	4	4	-	-	4	4
Jeffrey Browne	3	4	-	-	-	-	-	-	-	-
Selina Lightfoot	4	4	-	-	-	-	-	-	4	4
Jonathan Salmon	4	4	4	4	4	4	4	4	-	-
Tanya Branwhite	4	4	4	4	-	-	-	-	-	-
Fabienne McKay	3	4	-	-	-	-	4	4	-	-
Professor James Best AO	2	2	-	-	-	-	3	4	-	-

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

Ian Narev joined the Board 7 September 2021.
Richard Goyder AO and Professor James Best AO stepped down from the Board on 19 November 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 NicDomnhaill.

Proceedings on behalf of the company

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

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

Auditor's independence declaration

The auditor's independence declaration, for the year ended 30 June 2022 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 page 12, which forms part of the Directors' report.

Auditor

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

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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 the Directors.

DocuSigned by:
Mike Wilson
5A47A841388448F...
Mike Wilson OAM
Director

DocuSigned by:
Tanya Branwhite
D05C9FD13DF04F0...
Tanya Branwhite Director

Sydney
31 October 2022

Auditor's Independence Declaration

As lead auditor for the audit of JDRF Australia for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Rosalie Wilkie
Partner
PricewaterhouseCoopers

Sydney
31 October 2022

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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.

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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 and Jonathan Salmon.

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 Australia, 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 2022 financial year.

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

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JDRF Australia

ABN 40 002 286 553

Financial report - 30 June 2022

Contents

These financial statements cover 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 31 October 2022. The Directors have the power to amend and reissue the financial statements.

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JDRF Australia
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Notes	**2022** $	2021 $
Revenue	3	**22,844,414**	19,791,459
Other expenses	4(a)	**(5,213)**	(55,912)
Administration expenses		**(105,277)**	(324,324)
Advertising, promotion and printing expenses		**(287,177)**	(364,643)
Communication and technology expenses		**(319,698)**	(356,957)
Depreciation and amortisation expense		**(282,478)**	(309,473)
Employee benefits expenses		**(4,544,983)**	(4,394,624)
Education and support expenses		**(271,891)**	(171,469)
Fundraising expenses		**(803,884)**	(278,024)
Occupancy expenses		**(95,421)**	(48,540)
Research and other grant expenses		**(14,700,471)**	(11,523,961)
Finance expenses	4(b)	**(6,279)**	(9,243)
Surplus before income tax		**1,421,642**	1,954,289
Income tax benefit/(expense)		**-**	-
Surplus for the year		**1,421,642**	1,954,289
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**1,421,642**	1,954,289

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

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JDRF Australia
Statement of financial position
As at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**11,025,107**	21,757,504
Trade receivables	6	**380,166**	99,656
Other current assets	7	**144,299**	63,333
Term deposits	8	**9,200,917**	-
Total current assets		**20,750,489**	21,920,493
Non-current assets			
Property, plant and equipment	9	**46,916**	54,978
Right-of-use assets	10	**219,835**	361,057
Intangible assets	11	**89,409**	140,351
Total non-current assets		**356,160**	556,386
Total assets		**21,106,649**	22,476,879
LIABILITIES			
Current liabilities			
Trade and other payables	12	**10,221,471**	12,875,820
Lease liabilities	10	**180,404**	175,400
Employee benefit obligations	13	**541,472**	539,169
Total current liabilities		**10,943,347**	13,590,389
Non-current liabilities			
Lease liabilities	10	**39,084**	182,617
Employee benefit obligations	13	**58,766**	60,063
Total non-current liabilities		**97,850**	242,680
Total liabilities		**11,041,197**	13,833,069
Net assets		**10,065,452**	8,643,810
FUNDS			
Accumulated funds		**10,065,452**	8,643,810
Total funds		**10,065,452**	8,643,810

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

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JDRF Australia
Statement of changes in funds
For the year ended 30 June 2022

	Accumulated funds $	Total funds $
Balance at 1 July 2020	6,689,521	6,689,521
Surplus for the year	1,954,289	1,954,289
Total comprehensive income for the year	**1,954,289**	**1,954,289**
Balance at 30 June 2021	**8,643,810**	**8,643,810**
Balance at 1 July 2021	8,643,810	8,643,810
Surplus for the year	1,421,642	1,421,642
Total comprehensive income for the year	**1,421,642**	**1,421,642**
Balance at 30 June 2022	**10,065,452**	**10,065,452**

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

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JDRF Australia
Statement of cash flows
For the year ended 30 June 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**9,806,745**	8,057,100
Payments to suppliers and employees (inclusive of GST)		**(6,336,257)**	(4,475,107)
		3,470,488	3,581,993
Government and partnership grants received (inclusive of GST)		**10,412,068**	11,955,321
Grants and education support expenses paid (inclusive of GST)		**(15,472,362)**	(12,278,318)
Other income		**243,711**	599,500
Interest received		**41,674**	90,114
Interest paid		**(6,279)**	(9,243)
Net cash (outflow)/inflow from operating activities		**(1,310,700)**	3,939,367
Cash flows from investing activities			
Payments for property, plant and equipment		**(32,783)**	(67,097)
Payments for held-to-maturity investments		**(9,200,917)**	-
Payments for intangible assets		**(2,409)**	-
Net cash outflow from investing activities		**(9,236,109)**	(67,097)
Cash flows from financing activities			
Principal elements of lease payments		**(185,588)**	(221,005)
Net cash outflow from financing activities		**(185,588)**	(221,005)
Net (decrease)/increase in cash and cash equivalents		**(10,732,397)**	3,651,265
Cash and cash equivalents at the beginning of the financial year		**21,757,504**	18,106,239
Cash and cash equivalents at end of year	5	**11,025,107**	21,757,504

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

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Contents of the notes to the financial statements

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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 - Simplified Disclosure Requirements

The financial statements of the company comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB), 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 2021:

- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities,*
- AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities,*
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139]*, and
- AASB 2020-9 *Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments [AASB 1060].*

The company also elected to adopt the following amendments early:

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].*

The company adopted AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the company previously complied with *Australian Accounting Standards - Reduced Disclosure Requirements* in preparing its financial statements.

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

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1 Summary of significant accounting policies (continued)

(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 profit or loss and other comprehensive income.

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

(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 recognised 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 recognised when each performance obligation is satisfied. Grants received from the government upon provision of insulin pumps to eligible patients are recognised 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.

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1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

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 recognised, 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 recognised over a period of time.

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

Donations in-kind

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

Interest income

Interest income is recognised using the effective interest method.

(d) Government grants

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

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 company received government assistance as part of the JobKeeper payment scheme and GST cash flow boost and recognised $234,192 and $nil (2021: $544,650 and $50,000) respectively as "Other revenue" in note 3.

(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.

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1 Summary of significant accounting policies (continued)

(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.

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,
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

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.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

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1 Summary of significant accounting policies (continued)

(f) Leases (continued)

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.

(g) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(h) 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.

(i) 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.

(j) Financial instruments

Financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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1 Summary of significant accounting policies (continued)

(j) Financial instruments (continued)

Financial assets (continued)

(i) Classification (continued)

The company's financial assets at amortised cost includes cash and term deposits, and trade and other receivables. The company does not have any financial assets measured subsequently at fair value (either through OCI or through profit or loss).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the company measures a financial asset at its fair value.

Subsequent to initial recognition, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

(iv) Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 1(i) for further details.

Financial liabilities

(i) Recognition and derecognition

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

(ii) Measurement

Subsequent to initial recognition financial liabilities are recognised at amortised cost using the effective interest method.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) 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.

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1 Summary of significant accounting policies (continued)

(k) Property, plant and equipment (continued)

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, 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 (note 1(g)).

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

(l) 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 5 years.

(m) 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 profit or loss and other 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.

(n) 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.

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1 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Other long-term employee benefit obligations (continued)

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.

(o) 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.

(p) 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 the instrument to the nearest dollar.

2 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.

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3 Revenue

	2022 $	2021 $
Fundraising revenue		
OneWalk	**1,460,727**	1,222,815
OneRide	**108,808**	-
Bequest revenue	**709,481**	19,334
Community fundraising	**774,945**	686,077
Corporate partnerships	**389,207**	250,866
Donations	**6,529,858**	5,771,839
Trusts and Foundations	**96,000**	50,250
Total fundraising revenue	**10,069,026**	8,001,181
Government and partnership grants		
Insulin Pump Program	**1,541,593**	1,551,500
Clinical Research Network	**8,878,230**	6,019,237
Partnerships	**1,771,320**	3,211,786
Other Govt. programs and support	**281,818**	335,041
Total government and partnership grants	**12,472,961**	11,117,564
Other revenue		
Interest	**58,716**	73,214
Membership fees	**5,240**	3,880
Other revenue	**238,471**	595,620
Total other revenue	**302,427**	672,714
	22,844,414	19,791,459

COVID-19 impacted the ability to run gala balls, community fundraising and in person walks. While the success of virtual event activity has compensated for a reduction in community fundraising the third Giving Day (in Jun-22) supported by digital marketing activity was able to maintain its performance in covering the shortfall.

The company recognised government assistance in the form of cash booster $nil (2021: $50,000) and JobKeeper $234,192 (2021: $544,650). These have been included in other revenue.

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4 Other expenses

(a) Other losses - net

	2022	2021
	$	$
Net foreign exchange losses	**5,213**	55,912

(b) Finance expenses

	2022	2021
	$	$
Interest and finance charges paid/payable for lease liabilities	**6,279**	9,243

5 Cash and cash equivalents

	2022	2021
	$	$
Cash at bank and in hand	**2,974,870**	4,056,587
Term deposits held to maturity (less than 3 months)	**8,050,237**	17,700,917
	11,025,107	21,757,504

6 Trade receivables

	2022	2021
	$	$
Other receivables	**380,166**	99,656
	380,166	99,656

No impairment losses on trade receivables were recognised as an expense during 2022 and 2021.

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7 Other current assets

	2022 $	2021 $
Prepayments	**59,720**	57,222
GST receivables	**61,426**	-
Interest receivables	**23,153**	6,111
	144,299	63,333

8 Term deposits

	2022 $	2021 $
Term deposits held to maturity (more than 3 months)	**9,200,917**	-

Term deposits held to maturity that were invented for more than 3 months have been reclassified under 'Term deposits'. In FY21, all term deposits had a maturity of less than 3 months and were classified as 'Cash and cash equivalents' in the statement of financial position. As at 30 June 2022, the term deposits with a maturity period of more than 3 months bears an interest rate of between 0.15% and 2.02% per annum.

9 Property, plant and equipment

	Plant and equipment $	**Furniture, fittings and equipment** $	**Leasehold improvements** $	**Total** $
At 1 July 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
Year ended 30 June 2022				
Opening net book amount	53,896	1,082	-	54,978
Additions	32,783	-	-	32,783
Depreciation charge	(40,657)	(188)	-	(40,845)
Closing net book amount	46,022	894	-	46,916
At 30 June 2022				
Cost	402,527	55,792	319,316	777,635
Accumulated depreciation	(356,505)	(54,898)	(319,316)	(730,719)
Net book amount	46,022	894	-	46,916

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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:

	2022	2021
	$	$
Right-of-use assets		
Office premises	**219,835**	361,057
	219,835	361,057
Lease liabilities		
Current	**180,404**	175,400
Non-current	**39,084**	182,617
	219,488	358,017

Future lease payments in relation to lease liabilities as at year end are as follows:

	2022	2021
	$	$
Within one year	**181,797**	180,672
Later than one year but not later than five years	**38,469**	182,617
	220,266	363,289

Additions to the right-of-use assets during the 2022 financial year were $nil (2021: $474,218).

(b) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2022	2021
	$	$
Depreciation charge of right-of-use assets		
Office premises	**188,282**	223,261
	188,282	223,261

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11 Intangible assets

	Software $
At 30 June 2021	
Cost	627,129
Accumulated amortisation	(486,778)
Net book amount	140,351
Year ended 30 June 2022	
Opening net book amount	140,351
Additions	2,409
Amortisation charge	(53,351)
Closing net book amount	89,409
At 30 June 2022	
Cost	629,538
Accumulated amortisation	(540,129)
Net book amount	89,409

12 Trade and other payables

	2022 **$**	2021 $
Trade payables	**703,110**	597,727
Government and partnership grants	**8,921,749**	11,482,641
GST payable	**-**	35,036
Other payables	**596,612**	760,416
	10,221,471	12,875,820

The following table shows the carrying amounts of trade and other payables between financial liabilities and non-financial liabilities:

	2022 **$**	2021 $
Financial liabilities measured at amortised cost	**703,110**	597,727
Non-financial liabilities	**9,518,361**	12,278,093
	10,221,471	12,875,820

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13 Employee benefit obligations

	2022			2021		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$	**$**	**$**	$	$	$
Leave obligations	**541,472**	**58,766**	**600,238**	539,169	60,063	599,232

(a) Leave obligations

The leave obligations cover the company's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(n).

(b) Amounts recognised in profit and loss in relation to defined contribution plans

The company has recognised expenses of $422,633 in the current period (2021: $393,478) in relation to defined contribution plans which are included in employee benefit expenses in the statement of profit or loss and other comprehensive income.

14 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 2022, the number of members of this company was 3,716 (2021: 4,014).

15 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity:

PwC Australia

(i) Audit and other assurance services

	2022	2021
	$	$
Audit and review of financial statements	**47,000**	47,000
Total remuneration for audit and other assurance services	**47,000**	47,000

(ii) Other services

Compilation of financial statements	**6,800**	6,800
Total remuneration for other services	**6,800**	6,800
Total remuneration of PwC Australia	**53,800**	53,800

16 Contingent liabilities and contingent assets

The company had no contingent liabilities or contingent assets at 30 June 2022 (2021: $nil).

17 Commitments

The company had no capital commitments as at 30 June 2022 (2021: $nil).

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18 Related party transactions

(a) Key management personnel compensation

	2022	2021
	$	$
Total key management personnel compensation	**2,795,609**	2,722,450

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.

(b) Transactions with other related parties

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 Events occurring after the reporting period

No 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.

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

(a) Fundraising income and expenditure

	2022	2021
	$	$
Gross proceeds from fundraising	**10,129,444**	8,078,274
Less: Expenses associated directly with undertaking fundraising activity	**(791,313)**	(518,054)
Net fundraising income	**9,338,131**	7,560,220
Less: Indirect fundraising expenses	**(1,474,168)**	(1,066,214)
Net surplus from fundraising	**7,863,963**	6,494,006

(b) Key fundraising ratios

	2022	2021
	$	$
Indirect fundraising expenses (A)	**1,474,168**	1,066,214
Net proceeds from fundraising (B)	**9,338,131**	7,560,220
(A) divided by (B)	16%	14%
Total cost of fundraising (C)	**2,265,480**	1,584,269
Gross proceeds from fundraising (D)	**10,129,444**	8,078,274
(C) divided by (D)	22%	20%
Net surplus from fundraising (E)	**7,863,963**	6,494,006
Gross proceeds from fundraising (F)	**10,129,444**	8,078,274
(E) divided by (F)	78%	80%

(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.

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

The Directors of JDRF declare that:

(a) The financial statements, which comprise the statement of financial position as at 30 June 2022, 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 *Australia Charities and Non-for-profits Commission Act 2012* and:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the entity's financial position as at 30 June 2022 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 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 2022; and

(b) The statement of financial position as at 30 June 2022 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:
Mike Wilson
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Mike Wilson OAM
Director

DocuSigned by:
Tanya Branwhite
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Tanya Branwhite Director

Sydney
31 October 2022

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 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Simplified Disclosures 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 2022
- 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 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 2022, 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.

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 - Simplified Disclosures 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/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
31 October 2022