Diabetes SA
Support Always

Annual Report 2018/2019

We're here to listen, here to advise, here to help lighten the load of living with diabetes.

Support always… 65 years and beyond

Back in 1952 the co-discoverer of insulin, Dr Charles Best, travelled to South Australia to give a series of lectures.

During an impassioned speech, he suggested that a diabetic association be established here in our state.

The very next year our organisation opened its doors.

We've now celebrated over 65 years at the frontline of diabetes support in South Australia.

We're here to help people living with diabetes.

To empower people with information, education and understanding.

To ensure they have access to products and services that help them manage their diabetes.

To raise awareness of the risk of diabetes in our community and facilitate early detection and prevention programs.

To fund new research to discover new treatments for the many South Australians living with diabetes today.

Most of all, we're here to give people living with diabetes personalised, individual support whenever they need it.

Diabetes SA. It's South Australian for Support Always.

Contents

The Association

Bankers Bank SA Torrensville Branch, 143 Henley Beach Rd, Mile End SA 5031
Auditors BDO Australia, Level 7, 420 King William Street, Adelaide SA 5000
Consultants and Advisors (Honorary) (Consultant Endocrinologist), Dr Anthony Roberts, MBSS, FRACP, (Consultant Podiatrist), Sara Jones, PhD, MSC, BA, Dip APP SC (POD)

Office Bearers

Patron His Excellency The Honourable Hieu Van Le AC, Governor of South Australia

Diabetes SA
Support Always

Our Vision

Empowering people to live well with diabetes and raising awareness for those at risk.

Our Mission

To educate, advocate, support and fund research that provides better outcomes for people at risk or living with diabetes.

Our Values

Honesty

We support you with clear, honest, factual information about diabetes, based on the latest research and real-life experience.

Empathy

We support you with compassion, care and understanding. We're here for you every step of the way.

Leadership

We support you by taking the leading role in South Australia and beyond – in community engagement, awareness, advocacy and research.

Passion

We support you by being totally dedicated and passionate about what we do. We are committed to making life better for those in our community at risk or living with diabetes through awareness, early detection and prevention.

It all adds up to how we HELP.

Supporting people living with diabetes is at the heart of everything we do.

Board of Management

President
Peter Crouch

Vice President
Monika Kruger

Vice President
Geoff Weeks

Treasurer
Colin Butterick

Committee Member
Paul Kerin

Committee Member
Allan Baird

Committee Member
Roslyn Hewlett

We were deeply saddened this year by the passing of Dr Paul Kerin. A man with a great mind and a truly compassionate soul. Paul lived with type 1 diabetes for many years. He joined the Board of Diabetes SA in June 2016 and was committed to making a positive difference to the lives of people living with diabetes. Paul was a great contributor who challenged our thinking often bringing a different perspective. He will be greatly missed.

Management Team

Chief Executive Officer
Angelique Pasalidis

Executive Manager Service Development & Delivery
Fiona Benton

Executive Manager Corporate Services
Matthew Casburn

Management Accountant
Paul Wilson

Health & Service Delivery Manager
Anne Fleming

Member & Community Partnerships Manager
Scott Mates

Research & Service Development Lead
Dr Hannah Wechkunanukul

Candidate Statements

Peter Crouch

Member of the Board of Management since 29 September 2011.

President since 30 November 2015.

I retired from the South Australia Police as a Detective Inspector with 43 years of service. I am currently undertaking work on contract with the Federal Government on the National Redress Scheme. I have a Diploma in Management (Human Resources), a Graduate Certificate in Applied Management and a Graduate Certificate in Business Administration.

I have type 2 diabetes, which is prevalent in the adults of my family and as such have a keen interest in assisting people with diabetes management. In particular, I am enthusiastic about helping South Australians affected by diabetes.

Monika Kruger

Member of the Board of Management since 23 October 2012.

Vice President since 30 November 2015.
Member of the Research Grants Committee 2018.

Member of the Ladies Auxiliary 1992–1997.

Diagnosed with type 1 diabetes in 1978, I became a member of Diabetes SA. My work experience includes various roles with 3 banks, self-employment as a truck then van carrier, a number of roles with 4 commonwealth government departments. Though now retired, I remain active on general committees.

South Australians are increasingly seeking to engage with organisations they can trust and genuinely share their values and I am committed to a program of continuing innovation, and ensuring our product and service delivery meets and exceeds the changing expectations of all South Australians living with or at risk of diabetes.

I am always keen to support the work of Australia's best researchers and most promising projects to improve the management and care for all, and I look forward to contributing to the upcoming round of research grants.

Geoff Weeks

Member of the Board of Management since 28 July 2015.

Vice President since 22 November 2016.

Chair of the Research Grants Committee 2018.

After 42 years in Banking including various senior management roles, I have now retired allowing me to provide experience and knowledge to Diabetes SA.

Having seen the effect of diabetes on my father and the assistance my mother gave him to try to deal with diabetes, I now wish to assist members and their families through the provision of services at Diabetes SA.

As a member of the Board of Management I am keen to further research and education, whilst ensuring that we have a strong Association that will enable the provision of ongoing support and services.

Candidate Statements

A member of the Board of Management since 28 June 2016.

Roslyn Hewlett

With over 30 years' experience in the health care sector, I am passionate about the delivery of client centred, evidence-based health care. I have a Bachelor of Nursing, Graduate Diploma in Nursing Science, Bachelor of Laws and Masters in Healthcare Administration.

As the mother of a teenage girl who was diagnosed with type 1 diabetes at the age of 5, I know the challenges that families face and how the services offered by Diabetes SA can help.

I joined the Board to try and give back to an organisation that had supported my family and to ensure that it could continue to support other families like my own.

A member of the Board of Management since 28 June 2016.

Allan Baird

With tertiary qualifications in Business, Industrial Engineering and Information Systems and over 30 years' experience as a senior manager and IT professional in both public and private sectors in Australia and overseas, Diabetes SA has given me the opportunity to couple my professional experience with my understanding of diabetes. As a person living with type 1 diabetes I want to ensure that we can continue to improve our services to people living with diabetes and their carers.

The fact that South Australia continues to have the highest per capita number of people living with diabetes than any other state or territory, is a clear demonstration of the need for a strong Diabetes SA.

I am vitally interested in ensuring that Diabetes SA remains an important and significant contributor of quality services and support to the membership and to the broader community through education, support, advocacy and the funding of research.

The changes that have been overseen by the Board in the last two years have resulted in a more focussed organisation, but there is much more to be done to ensure its reach extends to as many as possible who need our services and those who can help provide them.

I will continue to work with my fellow Board Members and the wonderful team at Diabetes SA to do what I can to ensure that no person with diabetes in South Australia goes without the services and support that we all need.

Candidate Statements

Member of the Board of Management since 24 September 2019.

John Jovicevic

I am a Partner of a medium sized Chartered Accounting firm with over 15 years public practice experience. I have extensive experience working with and advising clients that operate in the profit, not-for-profit and public sector. My experience working with a wide range of businesses and organisations in my professional career gives me a strong appreciation of the unique challenges that face organisations such as Diabetes SA.

I joined the Board of Diabetes SA as I have a keen interest in further supporting programs in the areas of diabetes research and prevention given my family history with diabetes.

My strong focus on the Board is ensuring Diabetes SA is long-term financially sustainable and has sufficient financial resources to meet its strategic objectives whilst also ensuring we are financially transparent and accountable to our members.

Member of the Board of Management since 24 September 2019.

Lis Burtnik

As a late starter in the type 1 diabetes stakes, it took me a while to come to terms with this chronic and at times frustrating and challenging condition. Diabetes SA became a 'go-to place' for advice, encouragement and support. I have become a passionate advocate of the organisation and believe in giving back where I can. Without their support I'm not sure how I would have coped in those early days.

My working life began as a paediatric nurse at the then Children's Hospital where diabetes was known as juvenile diabetes and there appeared little awareness that adults of all ages could acquire this condition. There were no disposable syringes, needles were sharpened with a whet stone and lancets were instruments of pain. The advances including technological innovations since that time have, to put it mildly, been mind-blowing.

I am impressed with the forward vision of Diabetes SA and its commitment to research, education and service. It is these elements that have motivated me to become a Board Member of Diabetes SA.

My career has been varied encompassing work in the not-for-profit sector including as CEO of a community disability service for 23 years, as a consultant both in the government and community domains and for the past five years supporting, developing and facilitating workshops for families to understand the complex pathways of the National Disability Insurance Scheme.

I have previously served on a number of not-for-profit boards including as Chairperson of the National Council for Single Mothers and their Children. I have also sat on numerous government committees and reference groups representing the voices of vulnerable people and their families.

Candidate Statements

A member of the Board of Management since 24 September 2019.

Gary Neave

Living with, and sharing the life challenges of my partner, who has type 1 diabetes, for the time I have known her, is one of the primary motivators driving my membership of the Diabetes SA Board.

Respected as a business leader and project delivery specialist over a long and diverse career in project and business governance, recent work with Uniting Communities, leading the client side team in the delivery of their U City project and working with the NSHC Board (community housing provider) has given me strong and clear insights as to the challenges faced by those living with disadvantage and/or disability, and the opportunities to leverage broader industry insights to support the businesses that support them.

I bring strong business acumen, having led projects of capital value exceeding $400m, national business units for a tier one professional services consultant; and more recently as Managing Director, and part owner, of ProManage, a successful Adelaide based project delivery consultancy.

I have a real passion, and strong empathy for those that rely on the not for profit sector, and bring significant relationships across government, and industry, in support of my Board role with Diabetes SA.

Sincere thanks must be extended to the Board of Management who volunteer their time each month and give of their vast experience and knowledge to govern the Association.

Candidates featured on pages 6 to 9 have nominated for 2019/2020 financial year. Candidate Statements detail contributions to the Association, professional experience and achievements.

Whilst the majority of our Board Members have diabetes, care for a person with diabetes (parent/guardian) or others have a particular area of expertise to offer, the Association is committed to ensuring that there is diverse representation of industry and skills on the Board of Management.

President's Report

I am pleased to be able to report that 2018/19 has been a strong and successful time for Diabetes SA as we have continued to deliver continuous improvements and programs.

However, the Board and management team were deeply shocked and saddened by the passing of our respected board member, Paul Kerin. A lifelong supporter of charities he also led and advised boards of the Down Syndrome Society of SA and Orana. Living with type 1 diabetes, Paul died suddenly in December last year and his contribution to DSA's future direction has been significant and he is sorely missed. Vale Paul.

The Board is working very hard and thriving on the current challenges. You will be able to see some new faces and read about them within this report. I welcome new Board members Lis Burtnik, Gary Neave and John Jovicevic. As I have said before, the skills and attributes of our board members has underwritten the best advice and direction on all major issues we deal with as we go through each passing year. I personally thank them all. The Board maintains an excellent working relationship with our CEO Angelique and her management team.

Our current Treasurer Colin Butterick is retiring from the Board at this AGM and is being replaced by John Jovicevic. Colin has been a member of the Board of Management since 28 June 2016, and our Treasurer since 28 February 2017. Colin came to us with over 24 years experience at an executive level in the financial services industry. His experience and his sage advice have been invaluable in steering our Association through some extremely important fiscal matters of investment and expenditure. This has put us in a sound financial position, not only for now but for the future and I, and fellow board members, will miss his guiding hand.

You may have noticed the difference in the presentation of this Annual Report. After completing a comprehensive process in the 2017/2018 financial year to develop a new brand strategy and brand identity, the team at Diabetes SA launched a new brand in November last year. The launch of the new brand included the redevelopment of the Diabetes SA website as well as the development of new printed collateral featuring the new image and messaging, with a focus on people and the diabetes community.

The two priority research areas, 'diabetes prevention and detection' have been identified and represent the gaps and needs across the key facets of the Association. Our research agenda will continue to focus on diabetes prevention and detection with an extension to specific target groups, including the high risk population; workplace; culturally and linguistically diverse population; and older people.

In November 2018 Diabetes SA was awarded full accreditation against the QIC Health & Community Standards. To continue with its process of continuous improvement, a quality improvement plan was also developed to ensure that DSA continues to maintain the high standards that we are especially proud of.

To quote our mission "To educate, advocate, support and fund research that provides better outcomes for people at risk or living with diabetes." I believe that Diabetes SA is indeed well into the journey to succeed just that.

I am extremely proud of the Diabetes SA family and again, I warmly acknowledge and thank the CEO and each staff member and volunteer for their contributions to Diabetes SA as they continue to achieve for our members and the community of South Australia.

CEO's Report

The 2018/2019 financial year was again a busy year for the Association.

Year two of the strategic plan saw the achievement of significant objectives including the completion of the Flinders Business year-long market research project that delivered up a series of insights and recommendations, the development of a type 2 diabetes prevention trial, the scoping of a diabetes awareness and detection program, the attainment of quality accreditation for the Association, the upgrade of internal systems such as the Association's Customer Relationship Management (CRM) system IMIS, implementation of a new accounting package and the integration between the systems to streamline internal work practices creating improvements and efficiencies, a new website and new brand and brand messaging.

Following on from the work that commenced in 2017/2018 the year-long market research program conducted by Flinders Business concluded and delivered up a number of insights and recommendations for the Association to consider. The overall aim of the market research was to identify a sustainable pathway for growth for Diabetes SA in order to enhance what the organisation does for people living with diabetes and for the wider South Australian community.

The market research focused on understanding the

1. level of awareness, perceptions and current level of usage of Diabetes SA services, NDSS services, and services available through other sources.
2. predictions of future use of Diabetes SA services currently available and new extensions to service.
3. preferred touch points for accessing services in terms of channels for being reminded of services available and also channels for accessing services.

The market research was undertaken in three phases. Phase 1 and 2 focused on new members including people with pre-diabetes, continuing and long-term members, at risk, lapsed members and people who declined the membership offer. Phase 3 focused on stakeholders and competitors and understanding the awareness and perceptions of Diabetes SA, referral mechanisms, priorities and service strengths, evaluation of current and future services, future engagement and funding opportunities.

Some of the key findings that emerged from phase 1 and 2 included:

1. Diabetes SA is at the top of people's mind when thinking about services for diabetes. We are ahead of the NDSS and pharmacies and on par with GP's and doctors.
2. Diabetes SA also comes to mind for those people who are not members of Diabetes SA who are at risk of diabetes who typically struggle to think of sources of diabetes services.
3. The most important needs of people living with diabetes are convenience, professional knowledge and support, informative and accurate service, advocacy, excellent service, constant learning, effectiveness, trustworthiness and personal relevance.
4. Diabetes SA services consistently feature among the repertoire of services that people use in their lives.
5. Preferences for accessing services via digital channels such as emails, web resources and online.

CEO's Report Continued

Findings from phase 3 included:

1. The importance of creating more opportunities to discuss the future of services for diabetes.
2. Sharing knowledge and information to pave the way to successful collaborations and joint initiatives.
3. Creating more synergies between the services offered by Diabetes SA and the care and services provided by GP's, doctors, pharmacies etc.
4. The importance of collaborating with stakeholders to extend the reach of what Diabetes SA does.

With the market research completed the Association engaged an external marketing company to work with the Association to develop a 3-year marketing and communications strategy and plan with this being due to be finalised in the first quarter of 2019/2020.

With a strong commitment to funding research this year saw the first reports being delivered by each of the six South Australian researchers. Further details can be found on page 14.

Following on from the success of the inaugural Diabetes SA Research Grant Funding program the Board have committed to funding a second round of research grant funding that is due to be released in November 2019. We certainly look forward to receiving applications and working with the Researchers to promote their work.

The development of the type 2 diabetes prevention trial has been a major focus for the Association and has provided opportunities to collaborate with external experts in their fields. It has extended the knowledge and skill of our internal research team that commenced with one research lead and has grown to six staff in the year further highlighting the Association's commitment to developing and growing our internal capabilities in this area.

The scoping of a diabetes detection program that raises awareness of diabetes in the community and the importance of early detection will result in recommendations being made to the Board in the 2019/2020 financial year.

One of the key strategic objectives in the Diabetes SA strategic plan is to deliver 'increased access to information, education and services to all South Australians'. To be able to deliver on this objective we needed to understand the current reach, range, access and effectiveness of our programs and services and as a result work was undertaken to review this culminating in a draft report. Whilst analysis was undertaken over the three-year period, we are currently completing the analysis for 2018/2019 to inform recommendations for the development of future programs and services and initiatives to extend the reach of these. Findings from the Flinders Business market research will also guide this work.

This year we received external funding from the Country SA - Primary Health Network (PHN) to deliver diabetes education across 11 sessions in rural and remote locations in SA. With this success has come funding for the 2019/2020 to extend our reach and delivery with funding received from Country SA – PHN.

For more than 65 years we have been listening to and supporting those in our community. We have seen first-hand the strength, compassion, drive and resilience of the diabetes community in South Australia so when we first set out to evolve the Diabetes SA brand the direction we had to take was clear – a brand that reflects the community we serve and the roles we play in supporting them. Many people have asked us "why red?" it's simple red is the most dynamic and passionate of colours. It gives a sense of urgency, emotional impact, strength and authority. It is the perfect colour to suggest passion and confidence in action. We see strength in the members we speak to every day and every day our passionate and committed staff offer individual support suited to each person's needs. That is why 'Support

Always' has not only become our tagline but our promise. With South Australia recording the highest incidence of diabetes in Australia red is the perfect colour for action. Alongside of the new brand and messaging the Association also delivered a new member focused magazine My Life. To date we have received very positive feedback about our new brand and magazine.

To support the Association's work considerable investment has been made in our internal systems to upgrade, improve work practices and create efficiencies in processes. One of the major projects delivered was the redevelopment of the Association's website that is now run using the Association's CRM. This has led to the implementation of a new integrated system between the CRM and the new financial package and the implementation of a new payment gateway.

The attainment of quality accreditation against the QIC Health and Community Standards was an achievement for the Association that recognises that the Association has fulfilled the programs requirements, successfully met the standards, and that we continue to demonstrate ongoing continuous quality improvement.

As I look back on 2018/2019 one of the things that I am most proud of is the drive and commitment of our management team and staff. Their ability to continue to evolve, grow and achieve amazes me each day. So, to each of you I say thank you for all your hard work and dedication.

To our volunteers who support the Association in so many ways – thank you.

To the Board of Management who entrust in me the leadership of the organisation thank you for your ongoing support, belief and guidance.

To our outgoing Treasurer Colin Butterick who has provided the Association with strong and sound financial leadership we wish you all the very best.

To our members, supporters, donors and all the external organisations we work with, we are very privileged to serve the community for over 65 years and have your support.

At the heart of everything that we do is the person living with or at risk of diabetes.

Here's to another busy year.

A sincere thank you is extended to all of our wonderful members who took part in interview and filming for our new brand. Thank you for giving so freely of your time and your individual stories.

Our commitment is
to supporting you always.

Diabetes SA Research Grants Program

With a vision to fund research for all South Australians living with diabetes, the Board of Diabetes SA committed to developing a research agenda and in April 2018 awarded the first round of research grant funding to six researchers from South Australia.

Whilst funding was initially set at $200,000 this was soon increased to $270,750 given the calibre of applicants and the Board's commitment to funding research across the diabetes types.

Now 12 months later we revisit each researcher providing an update on how their projects have progressed.

Pictured: Professor Paul Ward, Associate Professor Richard Young, Dr Chinmay Marathe, Peter Crouch (Diabetes SA President), Dr Christina Bursill, Geoff Weeks (Diabetes SA Vice President. Chair of the Diabetes SA Research Sub-Committee), Dr Rebecca Thomson, Professor Damien Keating.

Year 1 Research Progress Reports

Evaluation of the topical application of high density lipoproteins on wound healing in patients with diabetic foot ulcers – a phase ½ clinical trial

Diabetes SA funding $50,000

Dr Christina Bursill, South Australian Health & Medical Research Institute (SAHMRI) and Royal Adelaide Hospital

"Our research focuses on finding new ways to prevent the vascular complications of diabetes." Dr Christina Bursill said.

We have been preparing for the imminent commencement of a clinical trial that will assess for the first time the wound healing benefits of topically applied "Good Cholesterol" to people with diabetic foot ulcers. We have been working with the local ethics committees and in sourcing clinical-grade HDL for the trial. We are now able to start this trial by the end of the year. We have also been fortunate to recruit a PhD student who is a trained podiatrist with expertise in diabetic foot ulcer care.

She will apply the Good Cholesterol to the patient's ulcers and assess healing. There are currently no effective treatments that improve healing of diabetic foot ulcers. We hope this study will effect significant change and be used as a future wound care therapy that prevents amputation in people living with diabetes. We are extremely grateful to Diabetes SA. Without their support this project could not be done.

The impact of modifiable exposures in the parent's and child's environment on the risk of type 1 diabetes

Diabetes SA funding $50,000

Dr Rebecca Thomson, Robinson Research Institute and Adelaide Medical School, The University of Adelaide

"This research project is part of the Environmental Determinants of Islet Autoimmunity (ENDIA) study (www.endia.org.au) which is investigating what may be driving the increased incidence of type 1 diabetes in Australian children. ENDIA is the first study in the world following 1,400 children at-risk of type 1 diabetes from early pregnancy to understand how the interactions between genes and the modern environment are driving this increase in type 1 diabetes." Dr Thomson said.

Recruitment of the ENDIA cohort has been extended to 1,500 babies! This will allow us to recruit 1,200 participants during pregnancy, which is the unique part of ENDIA. The contribution of prenatal exposures in modifying type 1 diabetes risk has become increasingly well recognised since the study commenced and presently, ENDIA is the only cohort study worldwide that is following children at-risk of type 1 diabetes from pregnancy. We have over 1,400 babies enrolled in the study and the oldest child is already 6½ yrs. Recruitment for the study will finish at the end of the year. The microbiome analyses have started for the comparison of children who have developed stage 1 – 3 diabetes, with those who have not, and we hope to be able to present the findings next year.

Diabetes SA Research Grants Program

Year 1 Research Progress Reports

A bitter tale of artificial sweeteners in type 2 diabetes

Associate Professor Richard Young, Adelaide Medical School – The University of Adelaide

Diabetes SA funding $50,000

"Type 2 diabetes is a modern epidemic, but effective control of blood glucose can reduce the incidence and progression" Associate Professor Richard Young said. "Artificial sweeteners are generally viewed as 'inert' and it is widely assumed that replacing sugar with artificial sweeteners will reduce the risk of diabetes and obesity. We have discovered, on the contrary that diets high in artificial sweeteners can enhance the absorption of glucose from the gut and worsen control of blood sugar in healthy people."

Our research has shown that supplementing the diet with low-calorie sweeteners (LCS) over 2 weeks can impair blood glucose responses in healthy individuals, an effect that involves more rapid entry of glucose from the gut to the circulation, and a disruption of the normal balance of gut bacteria. With Diabetes SA support, we are determining whether LCS intake has greater effects in patients with type 2 diabetes, and the precise role gut bacteria play in this response.

We have now completed 15 and enrolled 4 participants in this study. We are also developing a new way to reveal how LCS interact in the gut in a mouse model. Our study findings will be important in driving health policy on LCS consumption, and have the potential to deliver new anti-diabetic medications that target the gut to benefit the 422 million people living with type 2 diabetes.

Effects of acute hyperglycaemia on the slowing of gastric emptying induced by short acting GLP-1 receptor agonists in type 2 diabetes

Dr Chinmay Marathe, Adelaide Medical School – The University of Adelaide

Diabetes SA funding $50,000

"The human gut plays an important role in regulating blood glucose. After a meal, ingested food empties from the stomach at a constant rate (called 'gastric emptying') and determines the absorption of nutrients and the rise in blood glucose following a meal." Dr Marathe said.

We are conducting a prospective, double blind, placebo-controlled, randomized, cross-over study to examine effects of a commonly used class of diabetes medication, GLP-1 receptor agonists, on the function of the stomach (particularly its rate of emptying) during a state of elevated blood sugar or hyperglycaemia. The study employs 'gold-standard' techniques for measuring gastric emptying (scintigraphy) and inducing hyperglycaemia (glucose-insulin clamps).

The study equipment is available, the research team has been established and consumables have been purchased. The study is currently under review by the local research ethics committee and recruitment for this study will commence once this has been secured. Funding received from Diabetes SA is supporting the running costs of the study and partly funding for an experienced research assistant, who is also a qualified nuclear medicine technologist.

Understanding the regulation of gut derived glucagon and its implications for type 2 diabetes treatment

Professor Damien Keating, College of Medicine – Flinders University of South Australia

Diabetes SA funding $50,000

"This is a truly novel research discovery about a hormone that is central to the control of blood glucose levels", says Professor Keating. "If we can understand how to control the release of this hormone from the gut wall, we may then be able to identify drugs that can control glucagon levels in our blood. As such our ultimate aim would be to lower blood glucagon levels as a novel treatment approach for high blood glucose levels in people with diabetes."

We have several milestones at this stage of the project in line with our outlined aims. We have defined novel roles within the gut for gut-derived glucagon including cholesterol absorption and gut motility. These are highly novel (and not for doisclosure) findngs that provide fresh information as to why the GI tract synthesises glucagon. We have also obtained data that glucagon is likely made in cells that are different from those the make similar proteins such as GLP-1. We have also determined that hypoglycaemia does not trigger gut glucagon release, as occurs in the pancreas. We are currently assessing the density of glucagon cells in individuals with and without type 2 diabetes. This work is ongoing an outcomes cannot yet be reported. We are also in the progress of determining the glucose concentration range at which gut-derived glucagon is secreted. This study is underpowered but our preliminary data indicate that high extracellular glucose triggers gut glucagon release (as shown in our application) and that concentrations that represent hypoglycaemia (e.g. 1mM glucose) cause an inhibition of gut glucagon secretion. Furthermore, we have been testing a number of novel pathways through which glucose may trigger gut glucagon secretion but are yet to identify the mechanism by which this occurs. With regard to the paracrine interactions between different enteroendocrine cells, we have begun testing whether GLP-1 receptor activation has any effect on gut glucagon secretion, as it does in totally pancreatectomised patients. Further testing of other gut hormones is ongoing also. Additional secretion assays of other gut hormones in the absence of presence of a glucagon receptor antagonist are also underway. As we collect and perform experiments on the surgical specimens provided by CI Wattchow, we are gradually building a picture of whether the release of glucagon changes in individuals with and without type 2 diabetes.

Reconstructing the stigma and blame, a critical pedagogy for stigmatised persons living with type 2 diabetes

Professor Paul Ward, College of Medicine and Public Health – Flinders University

Diabetes SA funding $20,750

"Why do certain individuals feel ashamed, blamed, or devalued on account of their diabetes and what can be done about it? Supported by Diabetes SA, these are the questions that Public Health researchers within Flinders University's College of Medicine and Public Health are attempting to address." Professor Paul Ward said.

From November 2018 to June 2019, two groups of people with Type 2 Diabetes participated in an education program designed to help them understand, and challenge, unfair cultural beliefs and attitudes about diabetes. A key issue for research participants was how they felt morally responsible for their diagnosis of diabetes and difficulties with self-management. They identified different ways that a sense of moral failure was experienced in their lives – through prejudice directed at overweight persons, experiences of diabetes education, and through media portrayals of diabetes. Participants felt that they could address these things in their own lives through greater empathy towards others with diabetes, bringing diabetes 'out into the open' by talking with others, and educating others on the 'real' nature of diabetes and its management. They also expressed ideas about how other actions, beyond their own control, might help develop more empathetic and helpful attitudes towards those with diabetes.

Service Development & Delivery

Health and Service Delivery

Our health services team have continued to deliver relevant, up to date, phone and email support to more than 1900 South Australians living with or supporting someone living with diabetes.

We have provided 314 face to face diabetes educator and dietitian consultations, with 56.2% of these being delivered to Diabetes SA members, 252 brief interventions by our health professionals, and more than 800 meter demonstrations were conducted in our retail area.

WE DELIVERED 40 DIABETES SA EDUCATION SESSIONS WITH 475 MEMBERS ATTENDING, WITH EDUCATION SESSIONS CONSISTING OF SUPERMARKET TOURS, CENTRAL MARKET TOURS, EXPERT SPEAKER SERIES AND PODIATRY CLINICS.

In addition we delivered 48 NDSS education sessions to 682 registrants, consisting of country seminars, SMART sessions and DESMOND sessions.

Our fee for service sessions grew with the Association delivering 35 sessions with 1067 attendees to a variety of organisations as guest speaking events.

Meeting the needs of health professionals resulted in two – two-day sessions being conducted with 11 health professionals attending and four school sessions being conducted with 43 people attending.

The Association coordinated and chaired four Mental Health Professionals Network (MHPN) meetings with a total of 85 health professionals in attendance.

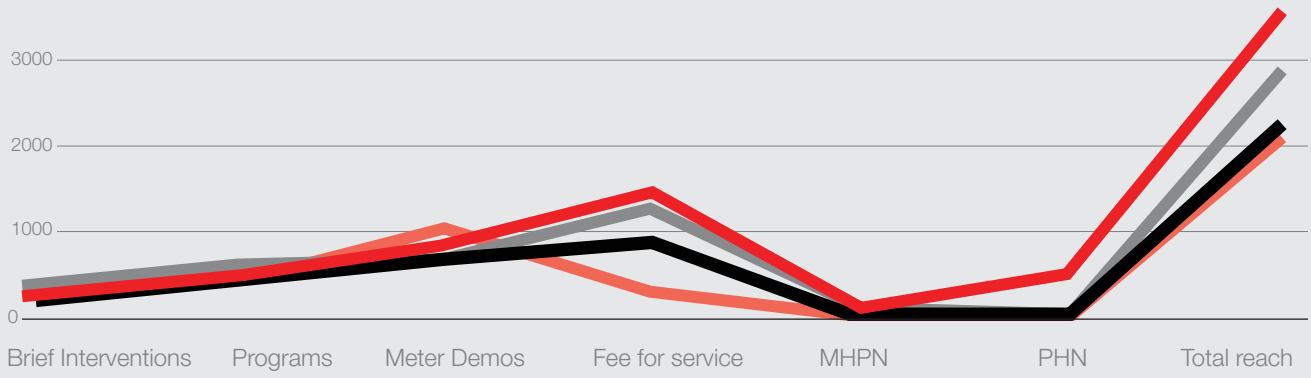
In addition, a proposal put to the Adelaide PHN was successful and this saw the health services team deliver diabetes education to 479 attendees across 11 sessions in rural and remote locations across SA.

During 2018/2019 Diabetes SA conducted one Teen Camp, which was conducted over 2 days on a weekend for children diagnosed with type 1 diabetes. 30 teens between the ages of 13–16 years attended in April 2019. The venue was changed to Woodhouse Activity Centre in Piccadilly and we utilised the services of Venture Corporate to organise some amazing activities. The camp had excellent outcomes, with the campers gaining experience, knowledge, confidence and making great friendships with other children. The teens participated in many activities including; High Ropes, Flying Fox, Challenge Hill, The Labyrinth, Orienteering and Laser Skirmish. The Kids Camp was delayed until September 2019 due to the challenge of recruiting health professional volunteers for two camps timed too closely together.

To extend our reach we have facilitated delivery of country seminars for NDSS and promoted services available through Diabetes SA in seven regional areas, with a total of 417 attendees.

Face to Face Delivery & Reach

	2015/16	2016/17	2017/18	2018/19
Brief Interventions	306	253	314	252
Programs	464	441	558	475
Meter Demonstrations	1031	630	635	818
Fee for Service	321	866	1248	1435
MNPN	0	0	95	85
PHN	0	0	0	479
Total reach	**2122**	**2190**	**2850**	**3544**
% improvement / year		3.1%	23.15%	19.58%



OUR FACE TO FACE REACH GREW BY 19.58% FROM 2017-18 TO 2018-19.

Four major seminars were conducted with each being professionally filmed, edited and made available to the general public via the online learning platform, there were a total of 801 people in attendance.

The online program continues to provide learning opportunities for people living with diabetes, this includes 3152 total hits across all programs and seminars.

The Year Ahead

Following the review of education programs and services conducted in 2018/2019 our focus will be to utilise this information and the findings and recommendations from the Flinders Business market research to inform the programs and services that will be delivered in 2019/2020.

Our overall aim will be to increase the reach, range, access and effectiveness of our programs and services with a particular focus on the outer metro, rural and remote areas of South Australia.

Already we have planned an increase in education and information sessions with an additional 16 current sessions and will roll out an additional 18 sessions from funding received from Country SA PHN. Changes have also been made to the time and days of sessions to attract a broader audience.

A review of the health professional offering is being undertaken to improve on content and delivery. An external survey has recently been conducted to gather health professional feedback that will be incorporated into the design of the program making it more structured and appealing in a move to increase interest and attendance.

Service Development & Delivery

NDSS

The 2018/2019 financial year saw a number of major changes in the administration of the National Diabetes Services Scheme (NDSS). The NDSS product schedule was revised (following a comprehensive review conducted by the Department of Health); although this resulted in a number of product changes, the overall impact was minor.

Co-payments (the consumer contribution) remained the same or were reduced. The Government committed to expanding the Continuous Blood Glucose Monitoring (CGM) Initiative through an investment of more than $100 million. This came into effect in March 2019. Eligibility criteria for access to fully subsidised CGM products expanded to include the following groups of people:

- children and young people with conditions very similar to type 1 diabetes who require insulin; and
- women with type 1 diabetes who are actively planning pregnancy, or are either pregnant or in the immediate post-pregnancy phase; and
- people with type 1 diabetes aged 21 years or older who have concessional status and a high clinical need to access CGM products.

Over 12,000 children and young people under 21 years have now accessed CGM and since the eligibility criteria were expanded in March.

OVER 2,200 ADDITIONAL PEOPLE HAVE BEEN ABLE TO ACCESS SUBSIDISED CGM PRODUCTS.

There has been significant feedback from consumers about the FreeStyle Libre flash glucose monitoring system to be included on the list of products subsidised under the Scheme, and at this point in time we understand negotiations with the product supplier are ongoing.

The Australian Government has committed funding of $6 million through the NDSS to develop and deliver a new national Diabetes in Schools program, led by Diabetes Australia. Extensive consultation and engagement has occurred, and the program is now in design phase, with three tiers of education being developed. Tiers 1 and 2 education will provide basic information, with information and resources being made available online through a new portal from August 2019. Tier 3 training will be more individualised for students and more comprehensive in nature for designated school staff supporting students with insulin administration. Tier 3 training will be provided face to face in the school setting. It is anticipated Tier 3 training will be available around January 2020.

Other national initiatives include online programs; Type 2 diabetes and Me (launched in July 2019), and MyDESMOND (an online version of the current face to face offering) which will be rolled out in 2020. This will see an increase in reach and access.

A nationally consistent educational offering that is evaluated for continuous improvement continues to be provided by Diabetes SA. Evaluation considers a number of factors such as reach, behavioural outcomes, intent to change, facilitator behaviour and the likeliness to recommend the program to others. We continued to focus on a number of priority areas including older people, Aboriginal and culturally and linguistically diverse communities, rural and remote, and mental health. Our education program was delivered extensively across the state, including rural and remote areas.

OUR TOTAL REACH TO PEOPLE WITH DIABETES OR AT RISK OF WAS 6,867 AND 1,161 TO HEALTH PROFESSIONALS OR SUPPORT WORKERS. THIS IS A TOTAL OF 8,028 PEOPLE, WHICH IS A 50% INCREASE ON THE PREVIOUS YEAR.

The Health Professional Awareness program which involves visiting GP practices to update and educate doctors and nurses about the services available under the NDSS delivered by Diabetes SA, resulted in 255 visits to GP Practices across the state (meeting directly with 444 health professionals staff), and attending two conferences resulting in 212 interactions with GPs and health professionals working in primary care.

There are currently 428 community pharmacy Access Points (95% saturation of eligible pharmacies in SA). Our focus is on training and supporting Access Points and encouraging referral to our education programs. The forthcoming year will see improvements to the current NDSS systems, with the implementation of phase 1 of a more streamlined customer relationship management or CRM system (NDSS Central).

Retail

Our retail environment continues to provide a service to all people living with diabetes, whether they are newly diagnosed or have been living with diabetes for a number of years, as well as to those at risk of diabetes. We offer a range of diabetes specialised products, along with the expert knowledge to assist people to best meet their individual needs.

METER DEMONSTRATIONS (NEW & TROUBLESHOOTING) CONTINUES TO BE A POPULAR MEMBER SERVICE, WITH AN AVERAGE OF 52 SESSIONS PER MONTH. THE OPTION TO BOOK INTO A METER DEMONSTRATION ONLINE HAS BEEN ENABLED.

The Board's commitment to continue to retain the retail operation has seen the continuation of excellence in customer service, and a highly valued member service. Our Customer Service Officer, Jan Coxon retired after 27 years of service, and it was very touching to see many of our members personally thank Jan for her support and care over the years.

An upgrade to our IT system (customer relationship management) has seen our transactions more efficiently processed, with invoices emailed to our customers automatically. Our product range continues to be competitively priced, with a number of new lines introduced over the year. Free postage is now available to all people who purchase product through the Diabetes SA online shop, or over the phone.

In line with our commitment to deliver excellence in customer service, we will be developing an updated Customer Service Charter. This is timely as the Australian Commission on Safety and Quality in Health Care has recently released a revised Australian Charter of Health care rights.

Service Development & Delivery

Research and Service Development

Significant investment has been made in the Research and Service Development area of the Association over the last 12 months in both program development and staffing levels. The overall aim has been to provision the organisation with the skill and capability to undertake research in order to develop programs that not only meet local need but also new programs that address community needs for state wide programs in the areas of diabetes detection and prevention.

A focus in research has also seen the Association collaborate with experts in their fields that have helped inform the development of key programs. A greater focus on collaboration will be explored in the coming year with a need to seek funding to support the delivery of major programs in the South Australian community.

One of the first priorities identified was the need to develop an evidence-based diabetes prevention program. The team researched programs internationally and nationally to put forward recommendations to the Board on a suitable program contextualised for the Australian community. The type 2 diabetes prevention trial titled 'Australian Lifestyle Change Program to Prevent or Delay Type 2 Diabetes (AUS2PREVENT)' was developed. The program is a year-long, community-based lifestyle change program that will initially commence as a trial in 2020 across two council regions in Adelaide with results of the trial being evaluated including the cost effectiveness which will be evaluated by external Health Economics experts.

Ethics approval has been granted by the South Adelaide Clinical Human Research Ethics Committee (SAC HREC).

Alongside of this the first research article on diabetes prevention was published and presented at the 79th American Diabetes Association Scientific Session and five research projects that were developed from existing Diabetes SA datasets were successfully presented at the 2018 Australian Diabetes Congress.

Scoping of the diabetes detection program commenced in March 2019, with the aim of delivering recommendations to the Board for a diabetes awareness and screening program at a community level.

With a focus on evaluation the team have also reviewed major programs integrating the evaluation outcomes and current guidelines to improve programs. These included the development of a PHN funded consumer education program, development of a peer support framework and collateral, the organisation of a Diabetes EXPO which included collaborating with health-related organisations and showcasing the work of Diabetes SA.

A program and service evaluation report has been developed to provide insight into reach, range, access and effectiveness of our programs and services. This report provides valuable information that will guide the planning in the health services area.

The Year Ahead

In line with the key strategic and operational objectives, the 2019/2020 strategic research agenda will continue to focus on diabetes prevention and detection with an extension to specific target groups, including high risk populations; workplace; culturally and linguistically diverse populations; and older people.

The Research team will undertake further investigation in these focus areas to develop evidence-based practices in specific populations. A study on sick day management in correctional facilities will be commenced to improve the quality of practice. The establishment of a research database for diabetes prevention and detection will be established.

The AUS2PREVENT Trial will continue into 2020/21 with data collection and data analysis being undertaken along with the internal program evaluation and external health economics evaluation. The outcomes from the trial will form a solid foundation to seek funding that will allow the program to be rolled out across South Australia.

Further to the program recommendations, the community-based diabetes detection program is intended to be implemented in the target groups in late 2019. The second phase of the detection program at a community level will be developed from the research evidence obtained in the first phase of the program and will form recommendations for the implementation of a program aimed at the community level.

Major projects for the year ahead include developing a co-design framework, investigating and developing an innovative nutrition program for implementation and rolling out of a corporate workplace program. We will continue to improve education resources in line with best practice.

Implementing the evaluation framework and providing an updated reach, range, access report with the data from 2018/2019 will be a focus. The year ahead will see reports reflecting the areas where services are provided. Using the Accessibility/Remoteness Index of Australia (ARIA) the remoteness of service provision will be ascertained and used to better inform service planning.

Corporate Services

The 2018/2019 financial year was a year of change. A new brand and website were launched, key systems were update and the Association achieved full quality accreditation.

Marketing & Communications

After completing a comprehensive process in the 2017/2018 financial year to develop a new brand strategy a new brand was launched in November 2018. The launch of the new brand included the redevelopment of the Diabetes SA website as well as the development of new printed collateral featuring the new image and messaging, with a focus on people and the diabetes community.

To coincide with the new brand launch, a new magazine was also launched with the member-only publication undergoing an extensive review to determine how it aligns with the new brand promise. The publication was renamed My Life and continues to provide members with all the latest diabetes news and information, as well as providing an insight into our members who live with diabetes.

Information Technology

The 2018/2019 financial year saw the implementation of a new integrated system between the iMIS CRM and financial package as well as implementation of a new payment gateway for the secure handling of financial payments. Use of the integrated system was also extended to the Diabetes SA website that is now run using the Associations' CRM with full integration into the Association's financial package. The Association undertook an IT penetration test in the later half of the year to test the public facing aspects of Diabetes SA's systems.

Results of the test have indicated that Diabetes SA is in a strong position with its IT Security and an improvement plan has been implemented to ensure Diabetes SA continues to provide a secure and reliable service for its members, donors and customers.

Diabetes SA completed an upgrade to its audio and video equipment in the 2018/2019 financial year. The new equipment features a large format screen and has features to enable live streaming of education sessions through a digital camera and microphone.

Administration & Compliance

In November 2018 Diabetes SA was awarded full accreditation against the QIC Health & Community Standards.

The accreditation was awarded for a period of three years with QIP commenting:

- The Diabetes SA Board, Management and Staff are to be congratulated on their open and committed approach to the preparation of the QIC Accreditation Assessment.
- The organisation is highly respected for its work in the community. There is strong leadership shown from the Board, Chief Executive Officer and management team in carrying out the organisation's mission and serving the community.

To continue with its process of continuous improvement, a quality improvement plan was developed to address gaps identified in the assessment and a Quality Improvement Committee was formed to ensure the successful resolution of the identified gaps.

Finance

In May 2019 Diabetes SA completed the implementation of Xero as its new financial package. After completing a needs analysis, a full review of all financial processes was undertaken with the view of moving to a paperless environment.

The new solution includes reporting of monthly financials through Power BI, housing of invoices and receipts in the system, and online purchase orders. The new system has provided efficiencies in processing thus reducing overall time.

The Year Ahead

The upcoming year will focus on the development and finalisation of strategic documents for Marketing and IT, along with further developments in HR and Records Management systems.

Marketing & Communications

A key focus in the 2019/2020 financial year will be the development and execution of a Marketing and Communications Strategy and Plan. Using the findings from the Flinders Business Market Research as a base, the Strategy and Plan will be finalised in the first half of the 2019/2020 financial year and will contain 12-36 months of campaign activities aligned to strategic objectives. To assist in this process, a new role will be created for a Marketing and Communications Manager and a Marketing and Communications Committee will be formed to oversee the successful development and execution of the plan.

Information Technology

The IT Strategy and Plan will be completed in the first half of the 2019/2020 financial year and will detail the Associations approach to IT for the upcoming three years. The Diabetes SA Board of Management have resolved to adopt the AS/NZS ISO/IEC 38500:2010 Corporate Governance of Information Technology standard providing guiding principles for the Board on the effective, efficient and acceptable use of IT within Diabetes SA. The IT Strategy and Plan will be aligned to this standard and will guide the Association in the development and execution of IT initiatives.

2019/2020 will also see the implementation of a new phone system as well as the continuous improvement of iMIS processes. Additionally, a review will be undertaken in the financial year of the records management system to understand business needs and provide modern practices for records management and retention.

Administration & Compliance

The 2019/2020 financial year will see the continuation of the Quality Management System and the ongoing execution of the Quality Improvement Plan. Key areas for improvement include the development of a Stakeholder Engagement Strategy, Customer Service Charter, Succession Plan, and Research Framework, and improvements to internal communication practices.

A new HR system will be implemented in the first quarter of the year and will allow staff self-service. It is expected that launch of the system will result in substantial time savings for administrative processes.

Further modules will be developed throughout the year including: onboarding; performance management; performance development; recruitment; safety; and succession planning.

Member and Community Partnerships

Membership

The organisation experienced a decline in total membership in 2018/2019. The total number of members was 22,531; this was a decrease of 2,603 members (or 10.4%) from the previous year which largely resulted from a change to family membership which re-classified each membership as one member and not two as previously was recognised as the family member and family individual. In 2018/2019 1,501 new members were welcomed to the Association. This was a reduction of 431 compared to 2017/2018 due to reduced memberships created in September to February of 2018/2019.

With an ongoing commitment to improving engagement with our members the new Diabetes SA website was launched providing increased access to content and the ability to join, renew and update details online. Our external calling program placed a focus on engaging with each newly diagnosed person to ensure that they have access to the services and programs to better manage their diabetes and this saw positive results for both the person and the Association.

Re-engaging with members who have lapsed their membership resulted in lapsed membership decreasing by 360 or 6.5% for the year. This call reinforced the benefit and value of membership in the person's overall diabetes management approach.

The organisation invested in the year-long market research project with Flinders Business which delivered up a number of insights and recommendations regarding the current service and offering, preferred means of contact, awareness of services and preferences for future service offering. In addition, a tiered membership structure was proposed. This will be reviewed for possible change in 2019/2020.

The Year Ahead

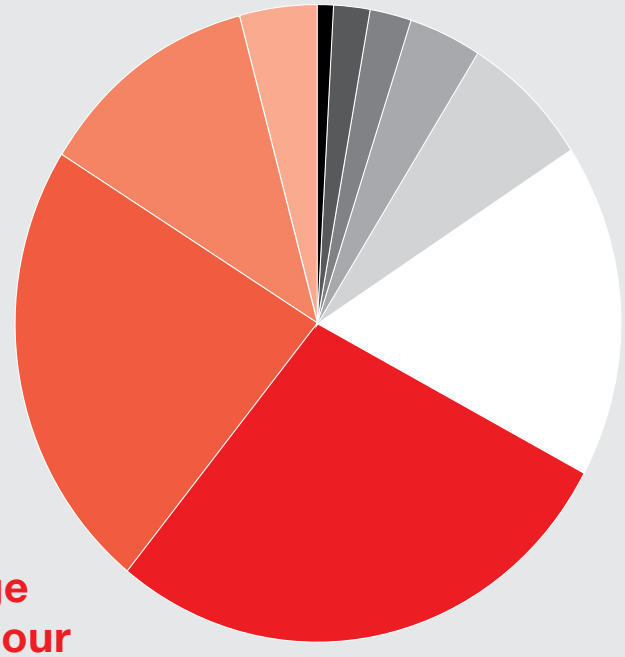
The upcoming year presents an opportunity for renewal and growth. With information gathered from the Flinders Business market research we are now in a position to review the membership offering and to identify how we can best service and meet our member's needs. One of the ways we see this evolving is by providing personalised service, communication and content relevant to the individual.

Increasing the awareness of the organisation and the service offering in the community will also be a major strategy to help attract new members whilst retaining existing members.

To engage members will see us explore the use of technology to deliver education sessions and enhanced online content making the member experience more valuable and easily accessible.

This is all in addition to the services already provided such as diverse education, publications and access to support and advice from Health Professionals.

The organisation is committed to making a difference to people living with or at risk of diabetes and being instrumental in change. Membership is a community that is vital to the fabric of the organisation and ensuring excellence in everything we deliver is our priority.



Age of our members

0 - 20 years	1.69%
20 - 30 years	1.11%
30 - 40 years	1.18%
40 - 50 years	3.32%
50 - 60 years	9.33%
60 - 70 years	22.96%
70 - 80 years	35.71%
80 - 90 years	20.02%
90+ years	4.22%

Member profile

Type 1	9%
Type 2	89%
Other	1.06%
Gestational	0.04%
Pre-diabetes	0.60%

The majority of our membership base are type 2, which represents 89% with the largest demographic being 70-80 with 60-90 representing 78.69%.

Member and Community Partnerships

Fundraising

Fundraising income continues to be derived from bequests, traditional fundraising activities of appeals and lotteries and donations in the form of memorials and general. The Association conducted only one lottery in the financial year following a decision to cease the lottery program.

Three Appeals were undertaken which included the introduction of a Research Appeal which raised over $86k in income from 1,990 donors. Overall fundraising income increased $78,244 or 20.2% which was contributed to by an increase in bequests of $93,641 and decline in lottery income of $56,754 as the second planned lottery was not conducted. Appeals were able to generate increased income of $76,788 or 72.1% due to the introduction of the Research Appeal.

With the move away from the lottery program there has been a greater reliance on appeals particularly with the introduction of a third appeal specifically to raise funds for the Diabetes SA Research Grants Program. This proved to be very successful and will see the Association continue with a yearly Research Appeal to generate the funds required to award funding to researchers on a biennial basis. Our hope will be to continue to raise increasing amounts for research to be able to extend funding beyond the current levels. In 2018/19 the Association awarded $270,750 to six researchers in South Australia and in 2020 this will increase to $300,000. The Association was fortunate to receive a number of bequests from people touched by our work and wishing to leave a legacy to ensure we continue to support people living with diabetes in South Australia. Bequests accounted for $159,159 in 2018/2019 which increased by 143% from 2017/2018. There were also generous gifts received to help fund further research and kids camp.

In line with this the Association launched a Bequest program which saw communication distributed to our members and donors to consider leaving a gift in their will to support the ongoing work of Diabetes SA. Greater focus on developing new fundraising initiatives to generate long term sustainable income has been a priority in 2018/2019 with work being undertaken to develop a Corporate Partnerships program, Regular Giving and exploring funding opportunities available through Trust, Grants and Foundations.
Our bequestors, major and community donors are listed below. A heartfelt thank you to all of our generous supporters.

We would like to say thank you to everyone who supported us through bequests, donations and participation in fundraising activities and campaigns.

Major Donors

D. Baker	**R. Lange**	**C. Wilson**	**M. Nudl**
J. Rotas	**P. Day**	**J. Beer**	**F. McRae**
J. Richards	**I. Heairfield**	**E. Edson**	**B. Roberts**
T. Porter	**I. Morris**	**M. Browne**	**T. McCarthy**
M. Freebairn	**T. Slater**	**B. Retallick**	
J. Arbon	**A. Breakwell**	**K. Fowler**	

The Year Ahead

Greater focus will be on developing and implementing long term sustainable fundraising programs this will include the development of a Corporate Partnerships and Regular Giving programs and exploring opportunities to fund key programs through Trusts, Grants and Foundations.

Corporate Partnership will see the Association forge relationships with businesses and corporates that align with our values to seek new financial support for the development and implementation of future programs in the community. Regular Giving will offer the opportunity for members and donors to support the organisation in a routine and sustainable way. Trusts, Grants & Foundations will explore available funding from governments and corporate foundations to support major programs and initiatives developed by Diabetes SA. Major Gifts will explore the philanthropy and motivation of our loyal supporters to provide a gift that will make a major difference for the future.

Appeals will remain a major fundraising pillar with focused campaigns for the development of future programs such as prevention and detection as well as generating the funding to support the Diabetes SA Research Grants Program allowing the organisation to invest in diabetes research.

The year ahead will see us build the platform for more sustainable long term programs that will support the delivery of increased programs and services to people living with or at risk of diabetes.

Major Memorial Donors

K. Parker

C. Duong

J. Rodger

Bequestors

P. Best

R. Marschall

J. Goll

F. Riedel

B. Bryant

Community & Corporate Donors

Trividia Health

Marion Art Group Inc

Lions Club of Blackwood Inc

Nazareth Catholic College

CIT Social Club

Yatala Labour Prison

Commonwealth Bank Staff Social Club

McLaren Districts Lions Club

Our Volunteers

Our Volunteers

Carol Assad
Annette Buttle
Rae Cole
Frank Cole
Trudie Cossey
Gloria Green
Don Lukes
Joy Paul
Bronwyn Schoen
Gary Sholdis
Graham Smoker

Thank you to all of the Volunteers who helped Diabetes SA by contributing many hours of their time over the financial year. Without you we could not achieve what we do.

A special mention to Don Lukes who resigned as a volunteer with Diabetes SA. Don has been a valued volunteer for Diabetes SA for the last 14 years and has been an asset to the organisation.

Teen Camp Volunteers

Maree Thus
Tuvia Bloom
Emily Taylor
Daniela Nash
Cressida Barker
Glenys Graham
Cheryl Ye
Helen Ziping
Phoebe Learey
Jackie Langley
Kylie Bailey
Trish Evans
Laura Lowe
Sarah Black

Our Teen Camp could not be possible without the generous giving of time from our camp volunteers, this year we were fortunate to have the following people volunteer their time and expertise to ensure the camp went ahead and was an enjoyable and memorable experience for everyone.

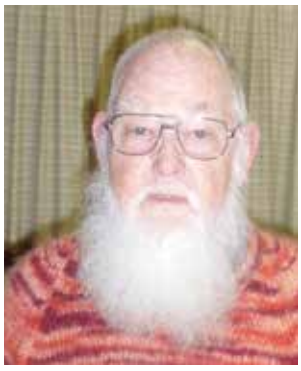
Kellion Victory Medal Recipients 2019

The Kellion Victory Medal was named after Claude Kellion when diabetes claimed the life of his son John Claude. A successful business man, Claude established the Kellion Diabetes Foundation in John's memory. In view of his outstanding contribution towards diabetes in Australia, Mr Claude Kellion AM invited to have his name associated with the Kellion Victory Medal Scheme.

Silver-plated 50 year and gold-plated 60 year victory medals have been produced and provided, together with certificates. There is also a platinum medal for 70 years and a certificate and plaque for 75 and 80 years. Thus the Kellion Victory Medal Scheme was established. Read the full stories of the lives of our Kellion Victory Medal recipients by visiting diabetessa.com.au.

75 years of living with type 1 diabetes

Ian Smith



I developed type 1 diabetes at the age of three and a half. My father was a country school teacher in NSW, so we lived miles away from medical help. I was admitted to the Camperdown Hospital in Sydney whilst a balance was obtained, which took 10 weeks.

On discharge, things were very different. You used glass syringes and needles which you had to resharpen on a fine emery stone, all of which had to be boiled after every use. I used to watch my parents doing all this stuff and at age 7, I took over the responsibilities of managing my diabetes. We will skip the teenage years, because nothing significant happened, just study and more study. I finished up with surveying qualifications and a course in higher mathematics. By then we were living 50Km west of Sydney so life was a bit easier. I entered a career in the computer field which in the late 1950's was about as stressful as you could get with unpredictable hours and work loads.

When in my mid 20's, I got a passion to go motor racing. I have been a petrol head since I was 10 and still am. In those days, people with diabetes were not allowed to have a racing licence. It took me 5 years of negotiating with authorities but I eventually won and I believe I was the first person with diabetes to hold a racing licence, something that is common these days.

Through all of this, my diabetes has not bothered me because I firmly believe that you control the complaint, it doesn't control you. I do the things I want to do and adjust my control accordingly. I lost a leg to diabetes 4 years ago after a very minor mishap. I dropped a brick on my foot and that's all it took. I was, and still am, determined to carry on as usual and this is happening to this day. I look forward to telling you my story again in another 5 years.

60 years of living with type 1 diabetes

Michelle Carmel Adams

My grandmother Kate was instrumental in alerting my mum that something seriously amiss with my health. I was losing weight and by diagnosis was apparently just skin and bones. I was diagnosed with diabetes over 60 years ago, prior to my second birthday at the Murwillumbah District Hospital in Tweed Valley in NSW. From then on glass syringes, impure insulin, inaccurate urine testing by drops of urine boiled in a test tube over a Bunsen burner or urine test tape and a strict diet and restricted exercise along with frequent ambulance trips were the norm. After highschool I continued my education at Avondale College where I received my Diploma in Education. I arrived in South Australia in 1979 for my first school year.

I have two daughters Tamika and Sherinne. Tamika told me that life living with me as having type 1 diabetes meant that she has a greater respect and empathy for other people and their personal struggles in life.

Winton (my husband) has been a rock for all my medical needs.

Lennard Gerald Solly

Australia Day 1959, I started vomiting. We arrived at the hospital around 9:30 am only to find out that the doctor would not be there until 4:30pm due to the public holiday. The matron on duty at the time put a drip in me, tested my urine and gave me my first shot of insulin. I will be forever grateful to Matron McNeil who stayed on duty for 24 hours to look after me. I was taught to give myself injections with glass syringes and needle 40mm long and as thick as a nail. This has changed a lot too. I have had a full working life with no sick leave due to my diabetes. For the last 15 years of my working life, I owned a successful business with my wife.

I have been married for 53 years and we share 3 children and 5 grandchildren. When I retired at 60, my wife and I purchased a caravan and travelled around Australia for the next 10 years. In the last few years I have had issue with my eye sight due to my diabetes. I would like to thank my wife for her love and support over the past 55 years.

Noreen Murphy

I was first diagnosed with type 1 diabetes on 22 August 1959, hard to believe 60 years ago. Diabetes management has certainly come a long way in 60 years, making it much easier to live a normal life.

I have 3 children, 8 grandchildren and 5 great-grandchildren, and of course a wonderful husband, who always supports me.

My husband and I have had many caravan trips all over Australia, plus I have a love of growing cymbidium orchids, which keeps me busy.

50 years of living with type 1 diabetes

Kathleen Ann Apted

I was diagnosed with type 1 diabetes in February 1969. The Insulin use then was via 'glass & metal' syringe, it had to be kept in a solution of methylated spirits between each injection and then washed thoroughly, used and then returned to the solution until the next injection. Two injections a day were the norm for me then. I have been very lucky to have been blessed with excellent medical people in the 50 years since diagnosis I am now very happy to have the Libre reader and about to get the T-Slim pump.

It has been a very interesting journey and a very thankful one. I cannot give enough praise to the 'specialist people' who make diabetes so manageable and to the doctors and nurses who have been there for me for whenever I have needed them. My special thanks to them all.

Christopher John Bollmeyer

Looking back over 50 years of type 1 diabetes the most obvious change has been the betterment of the technology that we use. Nowadays we have much more pure and appropriate insulin, single use syringes and increasingly the use of insulin pumps, glucose testing that gives you real time information either through finger pricks or continuous glucose monitoring and exciting research promises much more for the future. However as with all technology it is how it is used that is the important point. This technology has given us, the people with diabetes, the tools to be more responsible for our situation and to take control of it and not leave it all up to the medical professionals to make all the decisions for us.

Philip John Lineton

I was in a gap year between leaving school and going to university and went to a Kibbutz in Israel. On my way to the coast, I apparently collapsed and was taken to hospital and I spent three days in a coma before regaining consciousness and coming to terms with being diagnosed with diabetes. I was then flown back to England because the six-day war started. I first came to Australia in 1975.

From 1984 to 2018, I have practiced as a solicitor. My diabetes has not greatly affected my practice apart from the usual difficulties. My hobby since 1984 has been acting on stage.

My present partner and previously my first wife and my children had to deal with the ever present danger of hypos.

I have been very fortunate in my families, my medical practitioners and with how people living with diabetes are supported in Australia. All of the above has enabled me to live with type 1 diabetes for over fifty years.

Read the full stories of the lives of our Kellion Victory Medal recipients by visiting diabetessa.com.au

50 years of living with type 1 diabetes

James Gibb Loudon

I well remember when I was first diagnosed with type 1 diabetes and how bleak the treatment was. Boiling up a glass syringe before every use. Blood sugar tests unknown. All you could do was pee in a jar and test the amount of sugar it contained – many hours after sugar had appeared in the blood stream.

Now, at the age of 83, I'm infinitely grateful for the care I receive from my GP, my endocrinologist, my heart specialist and the physician who monitors the growth on my adrenal gland.

All of this enables me to live an independent life in my two-storey unit – no, the stairs don't worry me. I can follow my interests as best I can, even if evening events are now minimal.

I am fortunate in having children who have had to cope with the loss of their mother who died when they were youngsters at school, leaving them with a father who continues to be a constant source of concern. Their love and support has been unfailing.

Diabetes is a deeply mysterious condition, but I am grateful for the continuing research into its causes and its treatment. I donate in support of this when I can.

"Diabetes is a deeply mysterious condition, but I am grateful for the continuing research into its causes and its treatments.

I donate in support of this when I can."

James Loudon

“I trust this award will be an encouragement to my grandchildren Eloise and Noah, who both live with type 1 diabetes.”

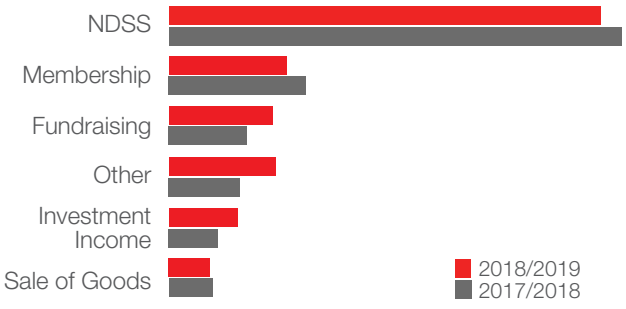
Alan Howard, 2018 Kellion Victory Medal Recipient

Treasurer's Report

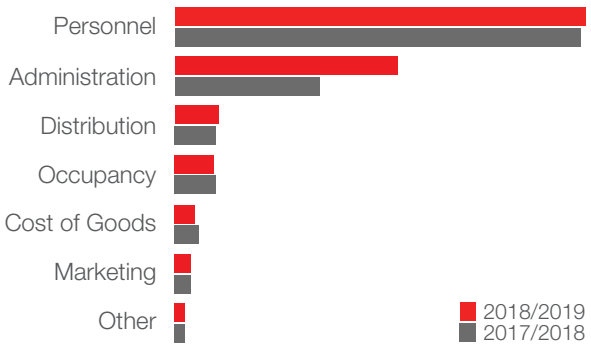
Diabetes SA recorded an operating loss of $262.5K for the 2018/2019 financial year with the result being impacted by a new accounting standard which caused an increase in the fair value of the association's investments ($369.6K) being recorded in profit or loss, rather than through the financial assets reserve as was previously the case.

As a result, total equity reduced from $10.7m to $10.44m as at 30 June 2019 made up of $5.49m in reserves (Research $1m and Endowment $4.49m) plus retained earnings of $4.95m. The financial statements show an NDSS surplus of $107k as a current liability as in accordance with the Agency Agreement this unspent amount is to be returned to Diabetes Australia. This strong financial position allows for a continuation in future years of the Boards strategic direction to invest in new initiatives aimed at improving member experience and the quality of life of people with diabetes.

Where each dollar came from



Where each dollar was spent



As an example, $270.7k was spent last financial year in research grant allocations, details of which are included in the reports by the Chair and CEO. The majority of our funds are invested with Macquarie Wealth Management which provided 6.7% (net of fees) in growth and returns for the financial year.

This excellent result was achieved through adherence to the Board's investment policy of adopting a moderate/balanced portfolio with minimal risk to members funds.

Listed securities totalled $4.65m, Managed Funds $4.04m and Term Deposits $1.01m at financial year end. It is anticipated that investment in Term Deposits will be minimal in future due to the current low rates on offer.

As mentioned, from a financial perspective, Diabetes SA is well positioned to meet current and future objectives. The need to improve existing or add new income streams continues to be a major concern however and a number of options are being explored to assist this. The need also to maintain an efficient cost base without compromising superior member service will always be a priority for the Board and Management.

Finally, I thank the Board members, CEO and other Management staff who have provided me with ongoing support and wisdom during my term as Treasurer.

Colin Butterick, Treasurer

Statement by Board of Management

The Diabetic Association of SA Inc trading as Diabetes SA

In the opinion of the Board of Management of the Diabetic Association of South Australia Incorporated, the 2018/2019 Financial Report of the Diabetic Association of South Australia Incorporated have been produced in accordance with:

1. (a) the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013; and

(b) There are reasonable grounds to believe that of the Diabetic Association of South Australia Incorporated will be able to pay its debts as and when they become due and payable.

2. the Associations Incorporation Act 1985 (SA) including:

that during the 2018/2019 financial year, no officer of the Association, or any firm of which an officer is a member, or any corporate entity in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporate entity and the Association other than benefits received as an employee of the association as set out in the notes under Key Management Personnel Compensation.

Dated at Adelaide this . 24th day of September 2019

Signed in accordance with a resolution of the Board of Management.

.....
PRESIDENT

.....
TREASURER

Statement of Profit or Loss and Other Comprehensive Income

The Diabetic Association of SA Inc trading as Diabetes SA

Statement of Profit or Loss and Comprehensive Income for the financial year ended 30 June 2019

	Note	2019	2018
		$	$
Revenue – Sale of goods		199,585	215,233
Cost of sales		(129,070)	(142,319)
Gross Profit		70,515	72,914
Revenue – Rendering of services	3	3,405,386	3,394,014
Investment Income	3	343,858	239,342
Other gains and losses	3	379,411	294,477
Distribution expenses		(262,244)	(259,266)
Marketing expenses		(98,422)	(96,318)
Occupancy expenses		(237,430)	(249,979)
Administration expenses		(3,528,014)	(3,315,521)
Research Grant allocation		(270,750)	-
Other expenses		(64,859)	(60,877)
Profit/(Loss) for the year		(262,550)	18,786
Other comprehensive income:			
Net Fair Value Gain/(Loss) on Financial Assets at fair value taken to equity	13(ii)	-	189,004
Cumulative Gain/(Loss) reclassified from equity on disposal of Financial Assets at fair value	13(ii)	-	(46,049)
Total Comprehensive Income for the year		(262,550)	161,741

The Statements are to be read in conjunction with the accompanying notes.

Statement of Financial Position

The Diabetic Association of SA Inc trading as Diabetes SA
Statement of Financial Position as at 30 June 2019

	Note	2019	2018
		$	$
Current Assets			
Cash and bank balances	17	468,973	1,417,321
Trade and other receivables	4	50,379	10,766
Inventories	5	30,305	37,913
Other financial assets	18	1,010,084	950,000
Other assets	6	43,426	98,409
Total Current Assets		1,603,167	2,514,409
Non-Current Assets			
Property, plant and equipment	7	1,253,291	1,220,901
Intangible assets	8	165,494	155,046
Other financial assets	18	8,698,145	8,082,454
Total Non-Current Assets		10,116,930	9,458,401
Total Assets		11,720,096	11,972,810
Current Liabilities			
Trade and other payables	9	320,422	316,396
Provisions	12	289,176	258,497
Other liabilities	10	521,459	557,052
Total Current Liabilities		1,131,057	1,131,945
Non-Current Liabilities			
Provisions	12	57,414	41,014
Other liabilities	11	88,954	94,631
Total Non-Current Liabilities		146,368	135,645
Total Liabilities		1,277,425	1,267,589
Net Assets		10,442,671	10,705,221
Equity			
Reserves	13	5,489,092	568,925
Retained Earnings	14	4,953,579	10,136,296
Total Equity		10,442,671	10,705,221

The Statements are to be read in conjunction with the accompanying notes.

Statement of Changes in Equity & Cash Flows

The Diabetic Association of SA Inc trading as Diabetes SA

Statement of Changes in Equity for the financial year ended 30 June 2019

	Reserves	Retained Earnings	Total
	$	$	$
Balance at 1 July 2017	425,970	10,117,510	10,543,480
Profit for the year	-	18,786	18,786
Other Comprehensive income for the year	142,955	-	142,955
Total Comprehensive Income	142,955	18,786	161,741
Balance at 30 June 2018	568,925	10,136,296	10,705,221
Balance at 1 July 2018	568,925	10,136,296	10,705,221
Transfer on initial adoption of AASB 9	(168,925)	168,925	-
Adjusted balance at 1 July 2018	400,000	10,305,221	10,705,221
Profit for the year	-	(262,550)	(262,550)
Transfers from reserves to RE	(400,000)	400,000	-
Transfers from RE to reserves	5,489,092	(5,489,092)	-
Balance at 30 June 2019	5,489,092	4,953,579	10,442,671

Statement of Cash Flows for the financial year ended 30 June 2019

	Note	2019	2018
		$	$
Cash Flows from Operating Activities			
Receipts from customers		3,545,485	3,568,705
Payments to suppliers and employees		(4,306,423)	(4,030,309)
Net cash generated by operating activities		(760,938)	(461,604)
Cash Flows from Investing Activities			
Payments to acquire financial assets		(372,278)	(6,581,764)
Payments for property, plant and equipment		(133,451)	(83,663)
Payments for intangible assets		(95,407)	(164,592)
Proceeds from disposal of property, plant and equipment		-	1,312,220
Proceeds from disposal of financial assets		69,868	50,868
Investment income received		343,858	239,342
Net cash (used in) / generated by investing activities		(187,410)	(5,227,590)
Net increase in cash and cash equivalents		(948,348)	(5,689,194)
Cash and cash equivalents at the beginning of the financial year		1,417,321	7,106,515
Cash and cash equivalents at the end of the financial year	17	468,972	1,417,321

The Statements are to be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Financial Year Ended 30 June 2019

The Diabetic Association of SA Inc trading as Diabetes SA

Note Contents

1. General Information

The Diabetic Association of SA Inc. is a member based Association, largely self funded through membership subscriptions and fundraising activities. The Association is the only charity in South Australia helping people living with diabetes through the provision of information, support, education and products.

The Association also undertakes activities which improve understanding and awareness of diabetes and participates in the search for a cure.

Registered Office and Principal place of business: 159 Sir Donald Bradman Drive, Hilton SA 5033.

2. Significant Accounting Policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and complies with other requirements of the law.

The financial statements were authorised for issue by the Board of Management on 24 September 2019.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Adoption of new and revised Accounting Standards

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the entity:

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets.

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

This standard has been applied from 1 July 2018 resulting in financial statement line items being affected for the current period only. The initial application of AASB 9 results in movements in the fair value of the association's investments measured at fair value being recorded in profit or loss, rather than through the financial assets reserve as was previously the case. The impact of initial application is summarised below:

	As at 30 June 2019		
	Under previous accounting	AASB9 Adjustments	As presented
	$	$	$
Statement of Profit or Loss and Other Comprehensive Income			
Surplus/(Deficit) for the year	(632,152)	369,602	(262,550)
Other comprehensive income	369,602	(362,602)	0
Total comprehensive income	(262,550)	0	(262,550)

The application of these changes in accounting policies had no impact on the cash flows of the Association.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and investments in money market instruments.

(b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably. Sick leave is non-vesting and has not been provided for.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date. The Association contributes to complying superannuation funds at the required rate of the employees' wages and salaries. Superannuation contributions are recognised as an expense when incurred.

(c) Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated association intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment

The association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Impairment of tangible assets

At each reporting date, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Income tax

The Diabetic Association of South Australia Inc. is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from Income Tax. This exemption has been confirmed by the Australian Taxation Office.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with all categories being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(h) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Payables

Trade payables and other accounts payable are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

(j) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Freehold land is carried at cost.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised as profit or loss.

The following estimated useful lives in the calculation of depreciation:

- Building 50 years
- Furniture and Equipment 2-10 years
- Motor Vehicles 8 years

(k) Intangible assets

Acquired intangigle assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite.

The following useful lives are applied:

- Computer Software 2-5 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(I) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery and/or when control of the goods has passed to the buyer.

Provision of NDSS Services

Income from the provisioning of NDSS Services is received on a quarterly basis in the first week of each quarter as income in advance of the provisioning of the agreed services or programs.

Membership Fees

Revenue from membership fees is recognised by reference to the period of the underlying membership. Current unexpired Membership Fees are that portion of membership fees that have been paid in advance and not yet earned, but will be earned in the next 12 months. (see note 10)

Non-current unexpired Membership Fees are that portion of membership fees that have been paid in advance and not yet earned, but will be earned in greater than 12 months time. (see note 10)

Fundraising – Donations and Bequests

Revenue or assets arising from donations and bequests is recognised when control is obtained, as it is impossible for the Association to reliably measure these prior to this time.

Cash donations are recognised when banked and other donations and bequests are recognised when title or possession transfers to the Association.

Investment Income

Dividend revenue from investments is recognised when the Association's right to receive payment has been established.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

3. Revenue and Profit

(a) Revenue

		2019 $	2018 $
Revenue from Sale of goods		199,585	215,233
Revenue from Rendering of services			
NDSS goods and services		2,163,207	2,266,736
Membership subscriptions		588,296	684,274
Fundraising (Note 20)		511,773	385,593
Education and Training Fees		104,474	39,941
Other		37,637	17,470
		3,405,386	3,394,014
Investment Income			
Interest income:	Bank deposits	11,049	22,630
	Managed Funds	301,254	213,754
Dividends:	Available for Sale Investments	31,555	2,958
		343,858	239,342

(b) Profit for the year

Profit for the year has been arrived at after (charging)/crediting the following:

(i) Other gains and losses			
Gain/(Loss) on disposal of property, plant and equipment		(2,792)	(8,715)
Gain/(Loss) on disposal of available-for-sale investments		3,762	8,820
		970	104
Cumulative Gain/(Loss) reclassified from equity on disposal of financial assets at fair value		-	46,049
		970	46,153
Fair Value adjustments to Financial Assets		369,602	
Sale of property at Salisbury North			
Profit on disposal		-	217,129
Commission on disposal		-	(26,695)
Rental Income - Salisbury North		-	23,852
Property Management		-	(9,243)
		-	205,044
Free meter promotion		8,839	43,280
(ii) Other expenses			
Profit for the year includes the following expenses:			
Cost of sales:		127,976	(142,319)
Amortisation:	Computer Software	(84,959)	(18,708)
Depreciation:	Buildings	(28,408)	(43,753)
	Furniture and equipment	(65,115)	(56,834)
	Motor vehicles	(4,744)	(4,650)
		(98,268)	(105,237)
Employee benefits expense:	Salaries and On-Costs	(2,297,626)	(2,377,213)
	Employee Benefits	(47,079)	12,869
		(2,344,705)	(2,364,344)
Consulting Expense:		(232,113)	(195,245)

4. Trade and Other Receivables

	2019 $	2018 $
Trade receivables	19,467	10,766
Other receivables	30,912	-
Allowance for doubtful debts	-	-
	50,379	10,766

The average credit period on sale of goods is 30 days.
No interest is charged on trade receivables from the date of the invoice.

5. Inventories

Finished Goods at cost	30,305	37,913

6. Other Current Assets

Prepayments	43,423	98,409

7. Property, Plant and Equipment

	Freehold Land	Buildings	Furniture & Equipment	Motor Vehicles	Total
	At cost	At cost	At cost	At cost	
Gross Carrying Amount	$	$	$	$	$
Balance at 30 June 2017	518,000	2,307,002	976,144	32,930	3,834,077
Additions	-	-	45,704	37,960	83,663
Disposals	(260,000)	(886,584)	(22,158)	(32,930)	(1,201,672)
Balance at 30 June 2018	258,000	1,420,418	999,690	37,960	2,716,068
Additions	-	-	133,451	-	133,451
Disposals	-	-	(86,240)	37,960	(1,201,672)
Balance at 30 June 2019	258,000	1,420,418	999,690	37,960	2,763,278
Accumulated Depreciation					
Balance at 30 June 2017	-	(659,519)	(816,963)	(11,322)	(1,487,795)
Depreciation Expense	-	(43,753)	(56,861)	(4,608)	(105,222)
Disposals	-	63,714	21,829	12,307	97,850
Balance at 30 June 2018	-	(639,549)	(851,995)	(3,623)	(1,495,167)
Depreciation Expense	-	(28,408)	(65,120)	(4,745)	(98,273)
Disposals	-	-	83,453	-	83,453
Balance at 30 June 2019	-	(667,958)	(833,662)	(8,368)	(1,509,987)
Net Book Value					
As at 30 June 2018	258,000	780,868	147,695	34,337	1,220,901
As at 30 June 2019	258,000	752,460	213,239	29,592	1,253,291

The aggregate depreciation allocated during the year is recognised as an expense and disclosed in note 4 to the financial statements.

There was no depreciation during the year that was capitalised as part of the cost of other assets.

8. Intangible assets

	Intangible assets	Work in progress		Total
	Computer Software	iMIS Project	Website Update	
	At cost	At cost	At cost	
Gross Carrying Amount	$	$	$	$
Balance at 30 June 2017	306,690	-	-	306,690
Additions	24,950	72,617	67,025	164,593
Disposals/capitalisation	-	-	-	-
Balance at 30 June 2018	331,640	72,617	67,025	471,282
Additions	95,408	-	-	95,408
Disposals/capitalisation	(60,407)	-	-	(60,407)
WIP Transfer	133,142	(66,117)	(67,025)	-
Balance at 30 June 2019	499,783	6,500	-	506,283
Accumulated Amortisation				
Balance at 30 June 2017	(297,528)	-	-	(297,528)
Amortisation Expense	(18,708)	-	-	(18,708)
Disposals/capitalisation	-	-	-	-
Balance at 30 June 2018	(316,236)	-	-	(316,236)
Amortisation Expense	(84,959)	-	-	(84,959)
Disposals/capitalisation	60,406	-	-	60,406
Balance at 30 June 2019	(340,789)	-	-	(340,789)
Net Book Value				
As at 30 June 2018	15,404	72,617	67,025	155,046
As at 30 June 2019	158,994	6,500	-	165,494

9. Trade and Other Payables

	2019	2018
	$	$
Trade Payables	318,234	310,649
Other Payables	2,189	5,747
	320,422	316,396

The average credit period on purchases of goods is 30 days.
No interest is charged on payables from the date of the invoice.

10. Other Current Liabilities

Accrued Liabilities	32,459	45,015
Unexpired Membership Fees	381,977	390,523
NDSS Surplus	107,024	121,514
	521,459	557,052

11. Other Non-Current Liabilities

Unexpired Membership Fees - Non Current	88,954	94,631

12. Provisions

The aggregate employee benefits provision recognised and included in the financial statements is as follows:

		2018	2019
		$	$
Current	Provision for annual leave	145,499	134,176
	Provision for long service leave	143,677	124,321
		289,176	258,497
Non-Current	Provision for long service leave	57,414	41,014

13. Reserves

Capital Development Reserve	(i)	-	400,000
Fair Value financial Asset Reserve	(ii)	-	168,925
Research Reserve	(iii)	1,001,254	-
Endowment Reserve	(iv)	4,487,838	-
Closing Balance		5,489,092	568,925

(i) Capital Development Reserve

Opening balance	400,000	400,000
Movement in Reserve	(400,000)	-
Closing balance	-	400,000

The capital development reserve is a reserve to be used to fund future capital projects.

(ii) Fair Value financial Asset Reserve

Opening balance	168,925	25,970
Net Fair Value Gain/(Loss)	-	189,004
Cumulative Gain/(Loss) reclassified	-	(46,049)
Transfer on initial adoption of AASB 9	(168,925)	-
Closing balance	-	168,925

The available for sale reserve reflects the accumulated fair value adjustments to available for sale financial assets.

(iii) Research Reserve

Opening balance	-	-
Movement in Reserve	1,001,254	-
Closing balance	1,001,254	-

The research reserve is a reserve to be used to fund new or continuing research that is directed towards prevention, detection, management and the identification, delivery and performance of services for people with diabetes.

(iv) Endowment Reserve

Opening balance	-	-
Movement in Reserve	4,487,838	-
Closing balance	4,487,838	-

The endowment reserve is a reserve to be used at the Boards discretion to direct funds on a nnual basis to areas of need within the Association such as the development of new programs or initiatives.

14. Retained Earnings

	2019	2018
	$	$
Balance at beginning of financial year	10,136,296	10,117,510
Profit for year	(262,550)	18,786
Transfer on initial adoption of AASB 9	168,925	-
Transfers to Reserves	(5,089,092)	-
Balance at end of financial year	4,953,579	10,136,296

15. Economic Dependency

The Diabetic Association of South Australia Inc. has an Agency Agreement with Diabetes Australia to manage the National Diabetes Services Scheme (NDSS) in South Australia until 30 June 2020.

16. Related Party Transactions

During the financial year to which the accounts relate, no officer or firm in which the officer is a member or a body corporate in which the officer has a substancial financial interest has received directly or indirectly from the association any payment or other benefit of a pecuniary value.

Key Management Personnel Compensation

The aggregate compensation made to Board Members and other members of key management personnel of the Association is set out below:

	2019	2018
	$	$
Compensation to Board Members and other members of key management personnel of the Association	763,863	689,037
	763,863	689,037

Board Members of the Association hold voluntary positions and accordingly, no remuneration has been paid to Board Members in the amount disclosed above.

During the year key management and personnel have purchased goods from the Association which were domestic or trivial in nature on the same terms and conditions available to customers.

17. Notes to the Statement of Cash Flows

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

Cash		6,947	4,505
Bank balances		465,026	1,412,816
		468,973	1,417,321

18. Other Financial Assets

Held-to-maturity investments carried at amortised cost

Term deposits	Current	1,010,084	950,000

In 2018 and 2019 the Association held various short term deposits managed by Macquarie bank as part of the investment portfolio. The weighted average interest rate on term deposits held during the 2019 year was 2.58% p.a. (2018 - 2.43% p.a.). The fixed deposits had maturity dates of either 3 or 6 months from last reporting date.

Financial Assets at fair value

Listed securities	Non-Current	4,658,320	4,322,285
Managed Funds	Non-Current	4,039,825	3,760,169
		8,698,145	8,082,454

19. Obligations under operating leases

Non-cancellable operating lease commitments

	2019	2018
	$	$
Not later than 1 year	19,854	31,578
Later than 1 year and not later than 5 years	2,682	16,386
Later than 5 years	-	-
	22,536	47,964

The operating leases are for motor vehicles leased for use on NDSS activities and Association office equipment. The Association does not have an option to purchase the leased assets at the expiry of the lease terms.

20. Fundraising

2019	Gross Income	Direct Expenditure	Overheads	Net Surplus
	$	$	$	$
Memorials	19,586	1,748	11,873	5,965
Appeals	96,699	28,627	58,616	9,455
Bequests	202,159	155	122,544	79,460
Lotteries	70,671	32,141	42,839	(4,309)
Other (Non-Project)	37,276	5,740	22,596	8,940
	426,391	68,412	258,467	99,512
Sponsorships	-	-	-	-
Total	426,391	68,412	258,467	99,512

2018	Gross Income	Direct Expenditure	Overheads	Net Surplus
	$	$	$	$
Memorials	29,161	974	22,408	5,780
Appeals	106,436	51,160	81,786	(26,510)
Bequests	65,518	114	50,345	15,059
Lotteries	127,425	93,959	97,914	(64,449)
Other (Non-Project)	57,054	5,039	43,841	8,174
	385,593	151,246	296,294	(61,946)
Sponsorships	-	-	-	-
Total	385,593	151,246	296,294	(61,946)

21. Contingent Liability

There are no contingent liabilities as at 30 June 2019 (2018: nil).

22. Subsequent Events

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of Management, to affect significantly the operations of the Association, the results of these operations or the state of affairs of the Association in subsequent financial years.

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DECLARATION OF INDEPENDENCE

BY G K EDWARDS

TO THE BOARD OF MANAGEMENT OF THE DIABETIC ASSOCIATION OF SA INCORPORATED

As lead auditor of the Diabetic Association of SA Incorporated. for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

G K Edwards
Director

BDO Audit (SA) Pty Ltd

Adelaide, 26 September 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE DIABETIC ASSOCIATION OF SA INCORPORATED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Diabetic Association of SA Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the statement by the board of management.

In our opinion the accompanying financial report of The Diabetic Association of SA Incorporated, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

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 are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The responsible entities of the registered entity are responsible for the other information. The other information comprises the information in the registered entity's annual report for the year ended 30 June 2019, 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, 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

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 this 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 (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

G K Edwards
Director

Adelaide, 26 September 2019

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