Financial Report

2020/2021

Diabetes SA Support Always

Treasurer's Report

FY2021 continued to present challenges to the operations of Diabetes SA given the continued uncertainties arising from COVID-19.

Diabetes SA recorded a Net Profit of $202K for the financial year (FY2020: Loss $1.09 million) which included the following key matters:

- Income includes fair value revaluation adjustment on Investments of $682K (non-cash income).
- Income includes a $54K net gain on disposal of assets (non-cash income).
- Fundraising income totalled $603K which is an increase of $356K on prior year.
- No Research Grants were paid during FY2021 (FY2020: $300K in Research Grants were paid.
- No income was recognised from government assistance programs in FY2021 (FY2020: $100K recognised).

There has been a concentrated effort by the Board and the Finance Audit & Risk Committee (FAR Committee) to strengthen the internal financial management practices of Diabetes SA, in particular in the areas of capturing program costs, program reporting capabilities, management financial reporting, and long-term financial planning capabilities.

Significant work has been undertaken by Management and the Board to review systems and processes to identify opportunities for efficiencies and improvements in our financial systems.

The Board has approved the implementation of additional software systems which are expected to be operational in October 2021 which will integrate with existing systems used by Diabetes SA. The new system is expected to provide the following benefits:

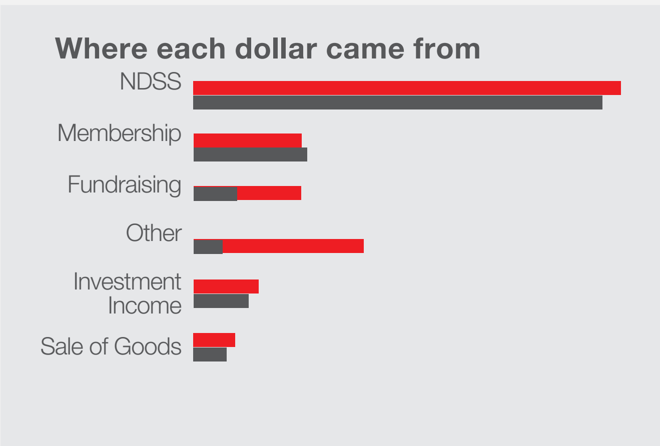
- Capability to produce real-time financial reporting and reduce time taken to generate financial reports.
- Remove the need to manually generate financial reports.
- Ability to generate automated long-term budget and cash flow forecasting reports.
- Reduce data integrity issues in financial reporting with inherent controls over data sourcing and report generation functions.

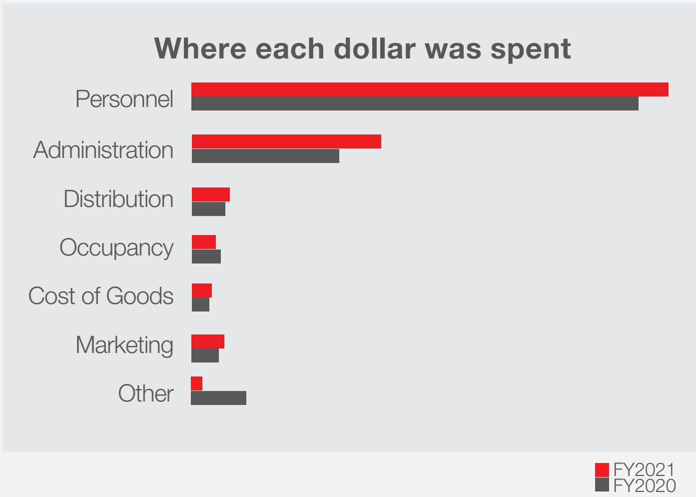
Ongoing engagement with Diabetes SA's external financial advisors Macquarie Private Wealth (Macquarie) has continued throughout the year with a number of changes made to the investment portfolio to account for fluctuations in the market and realign assets held with the objectives per the Investment Policy.

A revaluation increase of $682K was achieved as a result of the favourable market conditions, income from investments and the management of the portfolio. Overall, it was pleasing to note that a 12.1% return on the portfolio was achieved for the financial year.

I would like to take this opportunity to thank the Board, Management and members of the FAR Committee for their ongoing support and valued input into the finances of Diabetes SA.

John Jovicevic, Treasurer





Statement by Board of Management

The Diabetic Association of SA Incorporated trading as Diabetes SA

In the opinion of the Board of Management of The Diabetic Association of South Australia Incorporated, the 2020/2021 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 2021 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 2020/2021 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 28 day of September 2021

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

PRESIDENT

TREASURER

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

Statement of Profit or Loss and Other Comprehensive Income

The Diabetic Association of SA Incorporated trading as Diabetes SA

Statement of Profit or Loss and Comprehensive Income for the financial year ended 30 June 2021

	Note	2021	2020
Revenue and Other Income		$	$
Revenue – sale of goods		235,029	185,276
Revenue – rendering of services	3A	3,420,212	3,194,371
Investment income	3B	362,727	305,158
Other gains / (losses)	4	736,841	(194,525)
Other Income	5	604,149	346,283
Total Revenue and Other Income		5,358,958	3,836,563
Expenses			
Inventory purchases		136,243	117,965
Employee benefits	6A	3,110,469	2,802,470
Suppliers	6B	1,613,324	1,696,923
Depreciation and amortisation	6C	256,385	268,412
Finance costs		40,060	40,458
Total expenses		5,156,481	4,926,228
Profit/(Loss) for the year		202,477	(1,089,665)
Other comprehensive income:		-	-
Total Comprehensive Income for the year		202,477	(1,089,665)

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

Statement of Financial Position

The Diabetic Association of SA Incorporated trading as Diabetes SA
Statement of Financial Position as at 30 June 2021

	Note	2021	2020
ASSETS		$	$
Current assets			
Cash and bank balances	7	365,972	632,725
Trade and other receivables	8	11,446	23,228
Inventories		50,454	53,681
Prepayments		72,230	40,522
Total current assets		500,102	750,156
Non-current assets			
Property, plant and equipment	9	1,255,837	1,250,949
Intangible assets	10	81,165	135,254
Right of use assets	11	13,062	20,157
Other financial assets	12	9,380,982	8,749,004
Total non-current assets		10,731,046	10,155,364
Total assets		11,231,148	10,905,520
LIABILITIES			
Current liabilities			
Trade and other payables	13	463,247	434,561
Lease liabilities		13,192	20,036
Provisions	14	393,094	324,656
Revenue in advance	15	664,228	612,316
Total current liabilites		1,533,761	1,391,569
Non-current liabilities			
Provisions	14	55,672	70,864
Revenue in advance	15	86,232	90,081
Total non-current liabilities		141,904	160,945
Total liabilities		1,675,665	1,552,514
NET ASSETS		9,555,483	9,353,006
EQUITY			
Reserves		6,178,460	5,485,821
Retained earnings		3,377,023	3,867,185
TOTAL EQUITY		9,555,483	9,353,006

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

Statement of Changes in Equity

The Diabetic Association of SA Incorporated trading as Diabetes SA
Statement of Changes in Equity for the financial year ended 30 June 2021

	Reserves	Endowment Reserve	Retained Earnings	Total
	$	$	$	$
Balance at 1 July 2019	1,001,254	4,487,839	4,953,578	10.442,671
Profit for the year	-	-	(1,089,665)	(1,089,665)
Transfers from RE to reserves	(184,216)	180,944	3,272	-
Balance at 30 June 2020	817,038	4,668,783	3,867,185	9,353,006
Balance at 1 July 2020	817,038	4,668,783	3,867,185	9,353,006
Profit for the year	-	-	202,477	202,477
Transfers from RE to reserves	174,056	518,583	(692,639)	-
Balance at 30 June 2021	991,094	5,187,366	3,377,023	9,555,483

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

Statement of Cash Flows

The Diabetic Association of SA Incorporated trading as Diabetes SA Statement of Cash Flows for the financial year ended 30 June 2021

	Note	2021	2020
		$	$
OPERATING ACTIVITIES			
Receipts from customers		4,751,159	3,815,501
Government Grants Received		-	50,000
Payments to suppliers and employees		(5,278,093)	(4,502,632)
Payments for operating leases - interest component		(476)	(1,507)
Net cash generated by / (used in) operating activities		(527,410)	(638,638)
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		40,606	-
Proceeds from disposal of financial assets		2,243,734	2,705,557
Proceeds from sale of / (payments to acquire) financial assets		(2,145,165)	(1,952,826)
Investment income received		362,727	288,480
Payments for property, plant and equipment		(182,538)	(129,194)
Payments for intangible assets		(33,715)	(93,060)
Net cash from / (used in) investing activities		285,649	818,957
FINANCING ACTIVITIES			
Payments to operating leases - principal component		(24,992)	(23,027)
Net cash from / (used in) financing activities		(24,992)	(23,027)
Net increase in cash and cash equivalents		(266,753)	157,292
Cash and cash equivalents at the beginning of the financial year		632,725	475,433
Cash and cash equivalents at the end of the financial year	7	365,972	632,725

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2021

The Diabetic Association of SA Incorporated trading as Diabetes SA

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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 28 September 2021.

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 assets. 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 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.

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) Lease liabilities and right-of-use assets

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(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 intangible 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.

Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note (e).

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

The association recognises revenue as follows:

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the association is expected to beentitled in exchange for transferring goods or services to a customer. For each contract with a customer, theassociation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value ofmoney; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as eachperformance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue is recognised when the performance obligation to provide the goods has been satisifed.

NDSS income

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.

Acquittals are provided on a quarterly basis with under or over provision payments paid or returned annually.

Any amounts received during the financial year which remain unspent at year end are recorded as a liability repayable to NDSS Australia

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.

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.

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 and managed funds revenue from investments is recognised on receipt.

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

(I) Reserves

Research reserve

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

Endowment reserve

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

3. Revenue

		Note	2021 $	2020 $
3A. Revenue from rendering of services				
NDSS goods and services			2,393,424	2,293,266
Membership subscriptions			603,272	641,208
Sponsorship			201,133	-
Education and training fees			176,599	229,407
Other revenue from rendering of services			45,784	30,490
			3,420,212	3,194,371
3B. Investment income				
Interest income:	Bank deposits		471	620
	Managed funds		362,256	287,860
Dividends:	Financial assets at fair value through profit or loss		-	16,678
			362,727	305,158

4. Gains and losses

	Note	2021 $	2020 $
(i) Other gains and losses			
Gain/(Loss) on disposal of property, plant and equipment		6,294	-
Gain/(Loss) on disposal of financial assets at fair value through profit or loss		48,132	11,969
		54,426	11,969
(ii) Fair Value adjustments to financial assets at fair value through profit or loss		682,415	(206,494)
Total gains and losses		736,841	(194,525)

5. Other income

	Note	2021 $	2020 $
Government Grants Received - Cashflow boost		-	100,000
Fundraising	19	604,149	246,283
		604,149	346,283

6. Expenses

		2021 $	2020 $
6A. Employee benefits			
Salaries and wages		2,784,306	2,503,579
Long service leave		10,583	8,177
Annual leave		42,663	40,753
Contribution to defined contribution plans		259,328	229,111
Other		13,589	20,850
Total employee benefits		3,110,469	2,802,470
6B. Suppliers			
Consultants		386,145	266,742
Grant funding		-	300,000
Postage		250,189	216,651
Printing		176,156	152,887
IT		228,659	183,761
Other expenses		572,175	576,882
Total goods and services supplied or rendered		1,613,324	1,696,923
6C. Depriciation and amortisation			
Depreciation:	Buildings	28,408	28,408
	Furniture and equipment	109,642	89,053
	Motor vehicles	5,288	4,745
	Leased assets	25,243	22,906
		168,581	145,112
Amortisation	Computer software	87,804	123,300
Total depreciation and amortisation		256,385	268,412

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

7. Cash and cash equivalents

	2021 $	2020 $
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 on hand	2,266	2,154
Cash at bank	363,706	630,571
Total cash and cash equivalents	365,972	632,725

8. Trade and other receivables

Trade receivables	11,446	6,550
Other receivables	-	16,678
Total trade and other receivables	11,446	23,228

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

9. 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 2019	258,000	1,420,418	1,046,900	37,960	2,763,278
Additions	-		129,194	-	129,194
Disposals	-		(19,453)	-	(19,453)
Balance at 30 June 2020	258,000	1,420,418	1,156,641	37,960	2,873,019
Additions	-		139,164	43,374	182,538
Disposals	-		(11,971)	(37,960)	(49,931)
Balance at 30 June 2021	258,000	1,420,418	1,283,834	43,374	3,005,626
Accumulated Depreciation					
Balance at 30 June 2019	-	(667,958)	(833,660)	(8,368)	(1,509,986)
Depreciation Expense	-	(28,408)	(89,053)	(4,745)	(122,206)
Disposals	-	-	10,122	-	10,122
Balance at 30 June 2020	-	(696,366)	(912,591)	(13,113)	(1,622,070)
Depreciation Expense	-	(28,408)	(109,642)	(5,288)	(143,338)
Disposals	-	-	1,468	14,151	15,619
Balance at 30 June 2021	-	(724,774)	(1,020,765)	(4,250)	(1,749,789)
Net Book Value					
As at 30 June 2020	258,000	724,052	244,050	24,847	1,250,949
As at 30 June 2021	258,000	695,644	263,069	39,124	1,255,837

The aggregate depreciation allocated during the year is recognised as an expense and disclosed in Note 6c to the financial statements.

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

10. Intangible assets

	Intangible assets	Work in progress	Total
	Computer Software	iMIS Project	
	At cost	At cost	
Gross Carrying Amount	$	$	$
Balance at 30 June 2019	499,784	6,500	506,284
Additions	93,060	-	93,060
Disposals/capitalisation	-	-	-
WIP Transfer	6,500	(6,500)	-
Balance at 30 June 2020	599,344	-	599,344
Additions	33,714	-	33,714
Disposals/capitalisation	-	-	-
WIP Transfer	-	-	-
Balance at 30 June 2021	633,058	-	633,058
Accumulated Amortisation			
Balance at 30 June 2019	(340,790)	-	(340,790)
Amortisation Expense	(123,300)	-	(123,300)
Disposals/capitalisation	-	-	-
Balance at 30 June 2020	(464,090)	-	(464,090)
Amortisation Expense	(87,803)	-	(87,803)
Disposals/capitalisation	-	-	-
Balance at 30 June 2021	(551,893)	-	(551,893)
Net Book Value			
As at 30 June 2020	135,254	-	135,254
As at 30 June 2021	81,165	-	81,165

11. Right of use assets

	Leased assets
Gross Carrying Amount	$
Balance at 30 June 2019	-
Initial adoption of AASB 16 Leases	43,063
Disposals	-
Balance at 30 June 2020	43,063
Additions	18,148
Disposals	(46,424)
Balance at 30 June 2021	14,787
Accumulated Depreciation	
Balance at 30 June 2020	-
Depreciation Expense	(22,906)
Disposals	-
Balance at 30 June 2020	(22,906)
Depreciation Expense	(25,243)
Disposals	46,424
Balance at 30 June 2021	(1,725)
Net Book Value	
As at 30 June 2020	20,157
As at 30 June 2021	13,062

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

12. Other financial assets

	Note	2021 $	2020 $
Financial Assets at fair value through profit or loss			
Listed securities		4,776,973	5,053,304
Managed funds		4,604,009	3,695,700
		9,380,982	8,749,004

13. Trade and other payables

Trade Payables and Accruals	412,040	430,625
Other Payables	51,207	3,936
	463,247	434,561

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

14. Provisions

14A. Employee provisions

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

Current		
Provision for annual leave	228,914	186,252
Provision for long service leave	164,180	138,404
Total employee provisions	393,094	324,656
Non-current		
Provision for long service leave	55,672	70,864
Total employee provisions	55,672	70,864
Total employee provisions	448,766	395,520

15. Revenue received in advance or repayable

Current		
NDSS Surplus	134,969	235,127
Other amounts received in advance or repayable	161,534	-
Unexpired Membership fees	367,725	377,189
Total revenue received in advance or repayable	664,228	612,316
Non-current		
Unexpired Membership Fees	86,232	90,081
Total revenue received in advance or repayable	86,232	90,081
	750,460	702,397

16. 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 2021.

17. Key management personnel renumeration

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

	2021 $	2020 $
Compensation to Board Members and other members of key management personnel of the Association	942,119	809,172
	942,119	809,172

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

18. Related party disclosure

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

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.

19. Fundraising

2021	Gross Income	Direct Expenditure	Overheads	Net Surplus
	$	$	$	$
Memorials	14,611	6,265	7,092	1,254
Appeals	81,543	93,705	65,628	(77,790)
Bequests	318,509	51,742	53,929	212,838
Research	139,422	52,700	31,981	54,741
Other (Non-Project)	48,481	108,613	32,686	(92,818)
Total	602,566	313,025	191,316	98,225

2020	Gross Income	Direct Expenditure	Overheads	Net Surplus
	$	$	$	$
Memorials	10,423	6,824	9,015	(5,415)
Appeals	81,476	107,057	70,466	(96,047)
Bequests	42,026	2,071	36,347	3,608
Research	85,793	57,608	74,199	(46,014)
Other (Non-Project)	26,564	9,463	22,975	(5,873)
Total	246,283	183,023	213,001	(149,741)

20. Contingent Liability

There are no contingent liabilities as at 30 June 2021 (2020: nil).

21. Subsequent Events

On the 6th August 2021 Diabetes SA signed the NDSS Agreement with Diabetes Australia for the period of 1 July 2021 until 30 June 2024. Aside from this event, there has not arisen since the end of the financial year any other 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 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit 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, 13 October 2021

BDO

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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 2021, 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 responsible entities' declaration.

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 2021 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of 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

BDO Audit (SA) Pty Ltd

G K Edwards
Director

Adelaide, 13 October 2021

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