Financial Report

2022/2023

Diabetes SA

Support Always

Treasurer's Report

I'm delighted to be able to present my first Treasurer's report since being appointed as Treasurer of Diabetes SA. The 22/23 financial year has seen the continuation of many of the traditional programs and services in line with the organisations five-year plan, and the Net Profit for the Year of $1.169 million (21/22 Net Loss of $1.894 million) is a strong result. This positive financial outcome for the year has benefited from two tail winds:

- Increase in Fundraising Income to $1.267 million (21/22 $0.602 million), primarily due to the very generous bequest by one donor; and
- Positive movement in the market value of investments of $0.481 million, compared to a prior year adverse movement of $1.064 million. This positive return is primarily driven by the strong investment returns across global share markets.

Our operations continue to be funded predominately from income derived from NDSS programs and membership subscriptions. Retail sales throughout 22/23 were also strong, with the positive impact of the diversified range of products available for purchase in our retail store at Hilton, and online, paying dividends. On the market value of investments, the Finance and Audit Committee (FAC) are continuing to work closely with our investment advisers, Macquarie Private Wealth (Macquarie), to ensure considered investment of Diabetes SA funds through this time of very high market volatility impacting on returns. Our approach in 22/23 and 23/24 thus far has been centred around implementing the revised Investment Policy identified in 21/22 and doing so in a cautious way given market volatility.

Disappointingly, in May 2023 Diabetes SA was notified of changes to the Department of Veteran Affairs (DVA) Diabetes Membership and Commonwealth Rehabilitation Appliance Program (RAP) for diabetes products sold within the Diabetes SA retail shop. Whilst DVA has agreed to the ongoing funding of diabetes membership for eligible veterans, the process has changed and will now require veterans to pay their membership fees and claim reimbursement from DVA, and DVA will no longer pay directly for the supply of diabetes products to DVA clients. Whilst the impact of this change on 22/23 was minimised by the timing of the review by DVA and the effective date of changes, through the first 3 months of 23/24 we are already seeing the impact of this change in process on membership fees and sales of products through our retail store.

On implementation of the five year plan the Board and the Executive Management identified a need to look for new opportunities to further diversify sources of income and this need was confirmed through a review of the Strategic Plan conducted in 22/23 by my fellow board members and predecessor Treasurer. The recently announced changes by DVA have now made this imperative. Work is already underway on assessing and/or implementing initiatives identified through the strategic plan review, with the goal of increasing income from existing sources and extending into new sources of income to underpin the financial viability and sustainability of your member organisation into the future.

As noted above, the generous bequest from one individual donor this year substantially increased income from fundraising. Led by the CEO, Diabetes SA is undertaking a very thoughtful process to determine the most appropriate medium to long term strategy for use of the bequest, to ensure the wishes of the donor are fulfilled, and the funds used to create a lasting legacy for Diabetes SA, that can be credited to the donor.

Coming into the role late in 22/23, I have been pleased to see the level of maturity of tracking and reporting of financial information and results by the Diabetes SA management team, led by the CEO and Matthew Casburn, Executive Manager Corporate Services, and the level of financial governance overall. The positive impact of the investment in business intelligence software is evident and proving valuable at this critical time as we consider the options to enhance the financial sustainability of the organisation.

Work has also continued in the second half of 22/23 and into 23/24 on reviewing policies and procedures to ensure they continue to be fit for purpose. Policies and procedures reviewed in 22/23 include the Reserves Management Policy and Delegations Policy and Procedure.

As we enter 23/24 management, the FAC and Board are focussed of the headwinds we are now facing. The impact of changes in DVA processes are impacting on the organisations revenues, and as an organisation we are not immune to the cost pressures arising from the inflationary impacts being experienced across the economy. Whilst our membership subscriptions have increased modestly, we have been cognisant of the broader financial pressures members may be facing, and have therefore sought to keep membership subscriptions to an affordable level.

I am very much looking forward to my first full year as Treasurer of Diabetes SA and being able to continue the good work undertaken by the finance and management team, and predecessor Treasurer, John Jovicevic. I would like to take this opportunity to thank and acknowledge Management, as well as current and prior members of the Board and the FAC for their efforts throughout the year as we strive to support people living with diabetes and reduce the risk of diabetes in our community.

Linzi Carr, Treasurer

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

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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 2022/2023 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 2023 and of its performance for the financial year ended on that date; and

   (ii) Complying with Australian Accounting Standards – Simplified Disclosures 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 2022/2023 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 24...... day of ...October..............2023

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

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PRESIDENT

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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 2022

	Note	2023	2022
Revenue and Other Income			
Revenue - sale of goods		523,106	411,916
Revenue - rendering of services	3A	3,042,208	3,330,295
Investment income	3B	316,931	309,129
Other gains / (losses)	4	433,116	(1,017,669)
Other Income	5	1,354,541	319,561
Total Revenue and Other Income		5,669,902	3,353,232
Expenses			
Inventory purchases		329,474	266,927
Employee benefits	6A	2,811,207	3,167,148
Suppliers	6B	1,178,522	1,546,875
Depreciation and amortisation	6C	148,939	228,714
Finance costs		32,004	37,767
Total expenses		4,500,146	5,247,431
Profit/(Loss) for the year		1,169,756	(1,894,199)
Other comprehensive income		-	-
Total comprehensive income for the year		1,169,756	(1,894,199)

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 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	7	1,247,954	145,780
Trade and other receivables	8	85,996	23,897
Inventories		123,844	96,832
Prepayments		187,898	79,699
Total current assets		1,645,692	346,208
Non-current assets			
Property, plant and equipment	9	1,115,999	1,132,265
Intangible assets	10	-	20,624
Right of use assets	11	24,795	45,399
Other financial assets	12	7,405,582	7,560,638
Total non-current assets		8,546,376	8,758,926
Total assets		10,192,068	9,105,134
LIABILITIES			
Current liabilities			
Trade and other payables	13	431,242	383,772
Lease liabilities	16	25,693	46,201
Provisions	14	331,746	435,032
Revenue in advance	15	383,433	432,937
Total current liabilities		1,172,114	1,297,942
Non-current liabilities			
Provisions	14	99,451	55,120
Revenue in advance	15	89,463	90,788
Total non-current liabilities		188,914	145,908
Total liabilities		1,361,028	1,443,850
NET ASSETS		8,831,040	7,661,284
EQUITY			
Reserves		7,669,623	6,332,189
Retained Earnings		1,161,417	1,329,095
TOTAL EQUITY		8,831,040	7,661,284

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 2023

	Research Reserve $	Endowment Reserve $	Retained Earnings $	Total $
Balance at 1 July 2022	991,094	5,187,366	3,377,023	9,555,483
Profit for the year	-	-	(1,894,199)	(1,894,199)
Transfers from RE to reserves	(65,668)	219,397	(153,729)	-
Balance at 30 June 2022	925,426	5,406,763	1,329,095	7,661,284
Balance at 1 July 2022	925,426	5,406,763	1,329,095	7,661,284
Profit for the year	-	-	1,169,756	1,169,756
Transfers from RE to reserves	1,111,296	226,138	(1,337,434)	-
Balance at 30 June 2023	2,036,722	5,632,901	1,161,417	8,831,040

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 2023

	Note	2023	2022
OPERATING ACTIVITIES		$	$
Receipts from customers and funding providers		5,221,620	4,204,845
Government Grants Received		60,000	-
Payments to suppliers and employees		(4,971,303)	(5,491,175)
Payments for operating leases - interest component		(1,290)	(1,737)
Net cash from / (used in) operating activities		309,027	(1,288,067)
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	1,480
Proceeds from disposal of financial assets		715,193	1,729,341
Payments to acquire financial assets		(127,024)	(927,453)
Investment income received		316,931	309,129
Payments for property, plant and equipment		(91,445)	(24,691)
Payments for intangible assets		-	-
Net cash from / (used by) investing activities		813,655	1,087,806
FINANCING ACTIVITIES			
Payments for operating leases - principal component		(20,508)	(19,931)
Net cash from / (used in) financing activities		(20,508)	(19,931)
Net increase in cash and cash equivalents		1,102,174	(220,192)
Cash and cash equivalents at the beginning of the financial year		145,780	365,972
Cash and cash equivalents at the end of the financial year	7	1,247,954	145,780

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

The Diabetic Association of SA Incorporated trading as Diabetes SA

Note Contents

The Statements are to be read in conjunction with the accompanying notes.
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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 - Simplified Disclosures, 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 Oct 2023.

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 adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

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 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 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 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.

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 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.

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.

(e) 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.

(f) 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.

(g) Lease liabilities and right-of-use

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

(h) 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.

(t) 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

(j) 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.

(k) 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 be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the association: 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 of money; 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 each performance 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.

(l) 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	2023 $	2022 $
3A. Revenue from rendering of services				
NDSS goods and services			2,122,829	2,362,590
Membership subscriptions			602,293	639,891
Sponsorship			-	-
Education and training fees			284,498	288,797
Other revenue from rendering of services			32,588	39,017
			3,042,208	3,330,295
3B. Investment income				
Interest income:	Bank deposits		16,947	177
Dividends:	Managed funds		299,984	308,952
			316,931	309,129

4. Gains and losses

	2023	2022
(i) Other gains and losses		
Gain/(Loss) on disposal of property, plant and equipment	(47,559)	787
Gain/(Loss) on disposal of financial assets at fair value through profit or loss		45, 269
	(47,559)	46,056
(ii) Fair Value adjustments to financial assets at fair value through profit or loss	480,675	(1,063,725)
Total gains and losses	433,116	(1,017,669)

5. Other income

	Note	2023	2022
Fundraising	21	1,272,521	319,561
Rental Income		22,020	-
Government Grants Received - Cashflow boost		60,000	-
		1,354,541	319,561

6. Expenses

	2023	2022
6A. Employee benefits		
Salaries and wages	2,568,565	2,829,647
Long service leave	8,733	9,939
Annual leave	(37,766)	1,525
Contribution to defined contribution plans	255,322	268,944
Other	16,353	57,093
Total employee benefits	2,811,207	3,167,148
6B. Suppliers		
Consultants	86,413	229,824
Grant Funding	-	199,995
Postage	154,756	196,378
Printing & stationery	119,771	146,739
IT	361,639	351,833
Venue Hire and other activities	151,741	117,023
Repair and maintenance	33,088	23,355
Marketing	40,984	48,244
Fees and rates	36,077	29,425
Other expenses	194,053	204,059
Total goods and services supplied or rendered	1,178,522	1,546,875

6C. Depriciation and amortisation		2023 $	2022 $
Depreciation:	Buildings	28,623	28,410
	Furniture and equipment	73,666	113,740
	Motor vehicles	5,422	5,420
	Leased assets	20,604	20,603
		128,315	168,173
Amortisation:	Computer software	20,624	60,541
Total depreciation and amortisation		148,939	228,714

7. 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:	2023 $	2022 $
Cash on hand	1,494	2,244
Cash at bank	1,246,460	143,536
Total cash and cash equivalents	1,247,954	145,780

8. Trade and other receivables

	2023	2022
Trade receivables	50,606	23,897
Other receivables	35,390	-
Total trade and other receivables	85,996	23,897

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 and Equipment	Motor Vehicles	Total
	At Cost	At Cost	At Cost	At Cost	
Gross Carrying Amount	$	$	$	$	$
Balance at 30 June 2022	258,000	1,420,418	1,306,768	43,374	3,028,560
Additions	-	44,305	47,140	-	91,445
Disposals	-	-	-	-	-
Balance at 30 June 2023	258,000	1,464,723	1,353,908	43,374	3,120,005
Accumulated Depreciation					
Balance at 30 June 2022	-	(753,184)	(1,133,441)	(9,670)	(1,896,295)
Depreciation Expense	-	(28,623)	(73,666)	(5,422)	(107,711)
Disposals	-	-	-	-	-
Balance at 30 June 2023	-	(781,807)	(1,207,107)	(15,092)	(2,004,006)
Net Book Value					
As at 30 June 2023	258,000	682,916	146,801	28,282	1,115,999

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.

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10. Intangible assets

	Intangible Assets $	Work in progress $	Total $
Gross Carrying Amount			
Balance at 30 June 2022	633,058	-	633,058
Additions	-		-
Disposals/capitalisation		-	-
Balance at 30 June 2023	633,058	-	633,058
Accumulated Depreciation			
Balance at 30 June 2022	(612,434)	-	(612,434)
Amortisation Expense	(20,624)	-	(20,624)
Disposals/capitalisation	-	-	-
Balance at 30 June 2023	(633,058)	-	(633,058)
Net Book Value			
As at 30 June 2023		-	-

11. Right of use assets

	Leased assets $
Gross Carrying Amount	
Balance at 30 June 2022	65,203
Additions	-
Disposals	-
Balance at 30 June 2023	65,203
Accumulated Depreciation	
Balance at 30 June 2022	(19,804)
Depreciation Expense	(20,604)
Disposals	-
Balance at 30 June 2023	(40,408)
Net Book Value	
As at 30 June 2022	24,795

12. Other financial assets

	2023 $	2022 $
Financial Assets at fair value through profit or loss		
Listed securities	3,992,198	3,505,558
Managed funds	3,413,384	4,055,080
	7,405,582	7,560,638

The listed securities and managed funds have been valued based on their quoted market prices in active markets.

13. Trade and other payables

	2023 $	2022 $
Trade Payables and Accruals	397,763	344,802
Other Payables	33,479	38,970
	431,242	383,772

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	192,673	230,439
Provision for long service leave	139,073	174,671
Provision for redundancies	-	29,922
	331,746	435,032
Non-current		
Provision for long service leave	99,451	55,120
	99,451	55,120
Total employee provisions	431,197	490,152

15. Revenue received in advance or repayable

Current		
NDSS Surplus	21,985	47,059
Other amounts received in advance or repayable	-	46,579
Unexpired Membership fees	361,448	339,299
	383,433	432,937
Non-current		
Unexpired Membership Fees	89,463	90,788
	89,463	90,788
Total revenue received in advance or repayable	472,896	523,725

16. Lease Liabilities

Lease Liabilities	25,693	46,201
Future Lease Payments are due as follows:		
One to five years	21,120	21,798
More than 5 years	4,573	26,371
	25,693	48,169

17. 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 2024.

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

18. Key Management Personnel

The aggregate compensation made to key management personnel of the Association is set out below:

	2023	2022
	$	$
Compensation to key management personnel of the Association	1,189,785	1,244,612
	1,189,785	1,244,612

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

19. 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 in which the officer has a substantial financial interest has received directly or indirectly from the association any payment or other benefit 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.

20. Remuneration of auditors

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

Auditing Services - BDO	17,700	16,000
	17,700	16,000

21. Fundraising

2023	Gross Income	Direct Expenditure	Overheads	Net Surplus
	$	$	$	$
Memorials	9,208	3,561	4,375	1,272
Appeals	85,176	48,978	54,667	(18,469)
Bequests	1,007,082	33,575	43,124	930,383
Research	88,233	25,710	36,848	25,675
Other (Non-Project)	77,311	76,489	51,202	(50,380)
Total	1,267,010	188,313	190,216	888,481

2022	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

22. Contingent Liabilities

There are no contingent liabilities as at 30 June 2023 (2022: nil).

23. Subsequent Events

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.

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

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DECLARATION OF INDEPENDENCE

BY JOSH CARVER

TO THE DIRECTORS OF THE DIABETIC ASSOCIATION OF SA INCORPORATED

As lead auditor of The Diabetic Association of SA Incorporated for the year ended 30 June 2023, 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-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.

JDCarver

Josh Carver

Director

BDO Audit Pty Ltd

Adelaide, 24 October 2023

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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 2023, 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 2023 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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.

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 – Simplified Disclosures 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.

The responsible entities of the registered entity 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 Pty Ltd

JDCarver

Josh Carver
Director

Adelaide, 24 October 2023

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