DIABETIC ASSOCIATION OF QUEENSLAND LIMITED - TRADING AS DIABETES QUEENSLAND

ABN: 18 009 790 327

Financial Report For The Year Ended 30 June 2015

Diabetes
QUEENSLAND

Diabetic Association of Queensland Limited - trading as Diabetes Queensland

ABN: 18 009 790 327

Financial Report For The Year Ended 30 June 2015

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DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2015.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Craig Beyers
Dr Maarten Kamp
Matthew Andrew resigned (3/11/2014)
Monika Campbell appointed (3/11/2014)
Susann Holzberger
Carol Mackey
Belinda Moore
Michael Reid
Jane Schmitt appointed (3/11/2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Michele Clatworthy (Bachelor of Business - Accountancy, with distinction, Grad Dip Corp Gov, FCPA, ACSA). Michele has over 25 years commercial financial and business experience in the banking, aviation and government sectors.

Review of Operations and Principal Activities

During the current year Diabetes Queensland continued in its role as the peak body for people with diabetes in Queensland, providing a powerful voice for people living with or at risk of diabetes.

Strategic Objectives

This year Diabetes Queensland continued its strategic plan working towards two key goals to:

- Improve the health and wellness for people living with all types of diabetes; and
- Reduce the incidence of preventable diabetes in the community.

Under the plan, Diabetes Queensland continues to focus its work across five key areas:

- **Awareness and Advocacy** - raising awareness and increasing advocacy efforts to create a sense of urgency within government and the community about the seriousness of all types of diabetes, and generating improved funding and activity across the community to prevent type 2 diabetes.
- **Connection and Support** - connecting and supporting communities and individuals to ensure Diabetes Queensland can better understand, be responsive and have relevance for people with diabetes. Connecting with health professionals and organisations to cultivate strong, sustainable relationships to expand Diabetes Queensland's reach, impact and influence, and promote healthy living for all Queenslanders and the prevention of type 2 diabetes.
- **Education and Information** - providing trusted, up-to-date education and information to empower all Queenslanders living with diabetes to manage their condition, working with and empowering health professionals to better care for and support people with diabetes, and to inform and educate the community about their risk of type 2 diabetes and the steps they can take to prevent it.
- **Evidence and Research** - increasing Diabetes Queensland's commitment to support and grow research and building the evidence to inform educational programs, campaigns, policy and system reform.
- **Capacity and Capability** - building Diabetes Queensland's capacity for success by growing our workforce, infrastructure and financial base to ensure the organisation continues to meet the needs of the person with diabetes into the future.

Directors' Report (continued)

Review of Operations and Principal Activities (continued)

Principal Activities

Diabetes Queensland expanded its activity in line with its strategic objectives, delivering a range of awareness and prevention initiatives targeting at risk communities, while continuing to provide much needed support and education for people living with all types of diabetes.

During the year the company:

- Raised awareness of the seriousness of all types of diabetes, delivering two major educational campaigns (National Diabetes Week and World Diabetes Day). Diabetes Queensland distributed more than 230 media interactions throughout the year and achieved more than 160,000 web visits and 2,115 new followers on social media;
- Advocated for people with diabetes and those at risk through ongoing engagement with one third of all State and Federal Members of Parliament through face-to-face meetings and media events, submitted 26 major policy submissions on key issues affecting people living with, or at risk of, diabetes, and participated in more than a dozen forums for policy development and consultation on behalf of our members;
- Delivered diabetes education to more than 24,000 people through programs such as EXPOsing, Know the Score, Diabetes What Now, Shopping Tours and Kids Camps;
- Disseminated at least 800,000 resources (fact sheets, information resources, publications), providing the most up-to-date information, education and support to help people learn how to manage their diabetes;
- Continued the National leadership for the Aboriginal and Torres Strait Islander and Cultural and Linguistically Diverse National Development Program areas under the National Diabetes Services Scheme;
- Delivered prevention programs including initiatives such as Live Well Farm Well with over 37 farm activities and Need for Feed to over 25 schools;
- Reached more than 67,000 people through its call centre, providing over-the-phone support to Queenslanders living with diabetes;
- Continued to support Diabetes Queensland members and registrants through the outbound call service, calling more than 30,000 people;
- Conducted over 3,500 risk assessments, helping people learn more about their risk of developing type 2 diabetes;
- Continued support for women with gestational diabetes, distributing over 13,805 information packs and 28,497 reminder letters to ensure women get appropriate follow up and support;
- Delivered education to 1,800 Health professionals and support workers through programs such as Understanding Diabetes and Carbohydrate Counting, presented education sessions at 10 industry events, and engaged with almost 7,000 Health professionals at over 30 industry events;
- Delivered diabetes specific training and resources to pharmacy assistants working in community pharmacies across Queensland in order to assist them to better support people with diabetes;
- Continued to build the evidence base for diabetes management and prevention by delivering 12 academic papers and presentations;
- Continued to support research through delivery of the Diabetes Queensland translational research and PHD grant, as well as providing $330,000 toward the Diabetes Australia Research Trust; and
- Continued to build the capacity and capability of the company, improving internal processes and systems for the ongoing ISO 9001:2008 Quality Management Systems accreditation, establishing a robust reporting structure utilising balanced scorecard methodology, and investing in personnel with the development of a new People and Culture strategic plan.

Directors' Report (continued)

Review of Operations and Principal Activities (continued)

The company strengthened its focus on revenue growth with the continued development of a dedicated fundraising unit. Diabetes Queensland's bequest program continued to nurture community support for research, education and support programs. During the year Diabetes Queensland received $343,058 in bequests. The company recorded an operating deficit of ($357,616) which is reflected in investment of strategic key focus areas, particularly fund raising and includes $130,000 investment in research from the company's development reserve as reflected in the Statement of Changes in Equity.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Strategic Focus Area:	Actual	Target
Awareness and Advocacy		
Increase online engagement through unique web visits	196,715	100,000
Increase community awareness through targeted media and members of parliament engagement	246	240
Connection and Support		
Increase Diabetes Queensland credibility with health sector by submitting papers to health professional conferences	12	2
Education and Information		
Provision of diabetes information sheets to provide help and support in managing the condition	93,066	90,000
Expand reach to members of the type 2 diabetes community on self management by online program delivery (EXPOsing Diabetes)	7,539	2,000
Evidence and Research		
Continued commitment to research	$330,000	$330,000
Capacity and Capability		
Membership revenue	$1,683,654	$1,663,564
Number of financial members	39,831	38,076
Donor base	7,520	7,000
Customer satisfaction	95%	95%

Dividends Paid or Recommended

In accordance with the company's constitution the company does not pay dividends.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Future Developments

As set out in note 21 in the financial statements regarding the National Diabetes Services Scheme (NDSS) contract, the company will assess the status of the NDSS contract in 2016. Otherwise the entity expects to maintain the present status and level of operations and hence there are no significant developments in the entity's operations of the company and the expected results in future financial years.

Directors' Report (continued)

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Capital

As a company limited by guarantee, the company does not have shares or options. If the company is wound up, the constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the company.

Information on Directors

Craig Beyers — Chairperson

Qualifications

GAICD, Bachelor of Engineering in Environmental Engineering, Member of the Australia Acoustical Society, Committee Member of the Clean Air Society of Australia and New Zealand (Queensland Branch).

Experience

Craig has been a Diabetes Queensland Board member since November 2011.

Craig's experience of having type 1 diabetes for more than 25 years provides him with a first-hand understanding of the complexities and challenges facing people with type 1 diabetes. The knowledge and experience gained by Craig in both his personal and professional life (management role within a successful engineering consultancy) has motivated Craig to become involved in the direction of Diabetes Queensland as a way to help others with this condition.

Special Responsibilities

President of the Board, Member of the Audit & Risk Management Committee.

Dr Maarten Kamp — Deputy Chairperson

Qualifications

MBBS, FRACP, MHA, FAICD

Experience

Diabetes Queensland Board member since September 2008.

Maarten trained as an endocrinologist, and practices privately in diabetes and general endocrinology. He is an Adjunct Associate Professor at The Queensland University of Technology, School of Clinical Sciences.

Maarten is a past President of Diabetes Queensland and of the Australian Diabetes Society and past Executive Board member of Diabetes Australia Ltd. He was a member of the Steering Group for the NHMRC type 2 diabetes guidelines and the Expert Advisory Group for the type 2 diabetes primary prevention guidelines and is currently on the Expert Advisory Group for NHMRC guidelines on the management of type 1 diabetes in children and young adults. Maarten is Co-Chair of the Australian Diabetes Society 'Diabetes and Driving' project steering committee and a past or present member of numerous groups and committees advising on, conducting projects or developing guidelines for diabetes policy or care delivery.

In 2010, Maarten completed formal training as a director through the Australian Institute of Company Directors.

With his extensive knowledge and commitment to diabetes in the community, Maarten brings invaluable expertise to the Diabetes Queensland board.

Special Responsibilities

Vice President of the Board, Chair of the Health Advisory Committee, Member of the Audit & Risk Management Committee, Member of the Indigenous Health Committee.

Directors' Report (continued)

Information on Directors (continued)

Matthew Andrew — Director until resignation 3 November 2014

Qualifications

Masters of Business Administration, Bachelor of Arts, Graduate Certificate in Science (Strategic Foresight), Member of Australian Institute of Management, Member Institute of Public Administration Australia, GAICD.

Experience

Diabetes Queensland Board member since November 2004.

Matthew first became interested in diabetes through his wife's involvement with Diabetes Queensland and it became clear that his skills could support the organisation at the Board level.

A background in market research, management and public administration provides Matthew with a skill set that is directly relevant to many aspects of Diabetes Queensland's business, particularly marketing, government relations and program development for people with diabetes.

Matthew is particularly interested in type 2 diabetes, because of both the significant long-term health problem it represents for the Australian community and the impact it has on the lives of people who develop it. He believes that a key role of Diabetes Queensland is to improve community awareness of diabetes and to adequately support people with diabetes by providing appropriate, timely advice and support to assist with the management of their condition.

Special Responsibilities

Member of the Board, Member of the Audit & Risk Management Committee.

Monika Campbell — Director appointed 3 November 2014

Qualifications

Masters Human Resource Management (M HRM) Bachelor of Behavioural Sciences - (Industrial Relations & OH&S) - BBehSci (IR & OHS), Certified Professional AHRI (CAHRI), Member of National Safety Council Australia

Experience

Monika has 15 years' experience as a Senior Safety and Human Resources Professional, people leader and coach in energy, manufacturing, gaming, agriculture sectors, in private and ASX listed companies. Monika has a provided professional services to Diabetes Queensland to develop key people strategies.

Monika has a proven record of driving business performance through safety and people strategies utilising a leadership style that is engaging and forward focused.

Monika's personal experience with Gestational Diabetes (GDM) gives her real insight for what it means to live with Diabetes. She is passionate and motivated about applying her personal experience and professional expertise to contribute to Diabetes Queensland's achievement of its stated strategic goals.

Special Responsibilities

Member of the Board from 3 November 2014.

Directors' Report (continued)

Information on Directors (continued)

Susann Holzberger — Director

Qualifications

B.Pharm.

Experience

Diabetes Queensland Board member since November 2009.

As a pharmacist with 30 years experience, Susann has owned a number of pharmacies. Susann has been involved with teaching in Pharmacy schools at UQ and QUT. She is currently a director on the Asthma Foundation of Queensland board.

Susann has a continuing interest in diabetes prevention, management and disease awareness.

Special Responsibilities

Member of the Board, Member of the Board of The Australia College of Pharmacy, Member of Australian Company of Directors.

Carol Mackey — Director

Qualifications

Bachelor of Economics, Certificate in Teaching.

Experience

Carol has been a Diabetes Queensland Board member since February 2008. She is also on the Board of Diabetes Australia, the Diabetes Australia Financial and Risk Management Committee, is on the Board of Diabetes Australia, is an Australian delegate to the international Diabetes Federation and was appointed to the Therapeutic Goods Administration Advisory Committee on Nonprescription Medications in 2015.

Carol's working background has been varied but has mainly had a service focus. Her skills in education (secondary teaching) and marketing and events (Education Department and James Cook University) have been valuable to the organisation.

Carol would like to see Diabetes Queensland continue as the peak body for diabetes information, education and advocacy across the whole of Queensland. She would also like the organisation to continue and gain further recognition as a significant contributor to research so that in the future diabetes will become redundant. Carol would also like the community to become aware of the differences between type 1 and type 2 diabetes which will only come about through widespread education.

Special Responsibilities

Member of the Board, Representative on the Diabetes Australia Board, Representative on the Diabetes Australia Financial and Risk Management Committee, Diabetes Australia Delegate to the International Diabetes Federation.

Directors' Report (continued)

Information on Directors (continued)

Belinda Moore — Director

Qualifications

BBus (Int), Dip. ExMgt

Experience

Belinda has been a Diabetes Queensland Board member since 2012.

Belinda is Australasia's foremost membership specialist and has assisted thousands of not-for-profit organisations with their membership challenges. She specialises in training, motivating and up-skilling boards, staff and volunteers to improve membership performance.

In addition to her work on the board, Belinda's current positions include: Board member of the Australasian Society of Association Executives, Managing Director of Strategic Membership Solutions, online communities coordinator for Mackenzie Neighbourhood Watch and convener of the Mackenzie Mum's Playgroup.

Belinda's extensive experience in the not-for-profit sector, coupled with her membership expertise, provides a valuable addition to the range of skills on the board at Diabetes Queensland.

Special Responsibilities

Member of the Board.

Michael Reid — Director

Qualifications

B.Commerce (Hons), University of Manitoba, Canada; Fellow of the Chartered Accountants Australia and New Zealand, (CAANZ); FAICD.

Experience

Mike has been a Diabetes Queensland Board member since June 2002.

Mike has a professional background as a Chartered Accountant, having worked in both Canada and Australia. Mike is a senior partner at Ernst & Young, Brisbane, and specialises in corporate accounting and audit. Mike's experience combined with a high level of business acumen and professionalism enables him to bring a high degree of financial stewardship to the Diabetes Queensland Board.

Mike's knowledge of corporate finance and governance, accounting, risk and strategy has enhanced the Board's level of corporate governance. His work with key corporate entities means he is current with financial best practices, which is drawn upon to help Diabetes Queensland's own financial procedures and practices remain strong.

Special Responsibilities

Member of the Board, Chair of the Audit & Risk Management Committee.

Jane Schmitt — Director appointed 3 November 2014

Qualifications

LL.B; LL.M; GAICD; Dip Bus

Experience

Jane is a lawyer by profession, having worked in private and corporate arenas and whose move into executive management has seen her in roles at Australia's largest medical indemnity insurer and Master Builders Australia, before taking on the role of CEO at the Australian Medical Association Queensland. Jane is also Executive Director AMAQ Foundation.

Her expertise lies in initiation innovative operational and strategic changes to enhance the influence and profile of communities and businesses. Jane is a strategic thinker, a straight talker and contributes vision and enthusiasm, strong leadership skills and business acumen.

Special Responsibilities

Member of the Board, Member of the Audit & Risk Management Committee.

Directors' Report (continued)

Meetings of Directors

During the financial year, 5 Board meetings and 4 Audit and Risk Management Committee meetings were held. Attendances by each director were as follows:

Board of Directors' Meeting	Number eligible to attend	Number attended
Craig Beyers	5	5
Dr Maarten Kamp	5	3
Matthew Andrew	1	1
Monika Campbell	4	3
Susann Holzberger	5	5
Carol Mackey	5	4
Belinda Moore	5	4
Michael Reid	5	3
Jane Schmitt	4	3

Audit & Risk Management Committee	Number eligible to attend	Number attended
Michael Reid	4	4
Matthew Andrew	1	1
Dr Maarten Kamp	4	1
Craig Beyers	4	4
Jane Schmitt	2	1

Health Advisory Committee
No meetings were held during the year.

Indigenous Health Committee
No meetings were held during the year.

Indemnifying Officers or Auditor

During the financial period, the company has paid a premium to insure all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacities as directors and officers of the company, other than conduct involving a wilful breach of duty in relation to the company. The total premium was $11,110* including GST.

** This amount is all inclusive of Professional Indemnity, Directors and Officers and Employment Practices Liability.*

The company has not otherwise, during or since the end of the financial period, in respect of any person who is or has been an officer or auditor for the company:

a. indemnified or made any relevant agreement for indemnifying any such person against a liability, including costs and expenses in successfully defending legal proceedings; or

b. paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not party to any such proceedings during the year.

Directors' Report (continued)

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 10 of the financial report.

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

Director ______________________

Craig Beyers

Dated this 31st day of August 2015

Hayes Knight
Accountants, Advisors & Auditors

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Lead Auditor's Independence Declaration
Under Section 307C of the *Corporations Act 2001*

To the Directors of Diabetic Association of Queensland Limited

I declare that, to the best of my knowledge and belief, for the year ended 30 June 2015, there have been no contraventions:

(i) to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) of any applicable code of professional conduct in relation to the audit.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 31 August 2015

DIABETIC ASSOCIATION OF QUEENSLAND LIMITED - TRADING AS DIABETES QUEENSLAND
ABN: 18 009 790 327
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Revenue	2	11,732,294	11,474,428
Other income	2	524,654	224,999
Cost of sales of Diabetic Association of Queensland Limited's goods and services		(186,145)	(217,493)
Employee provisions expense	3	(6,731,457)	(6,043,562)
Depreciation and amortisation expense	3	(477,519)	(621,373)
Staff training and development expense		(99,282)	(82,709)
Program delivery expense		(392,902)	(616,722)
IT infrastructure, maintenance and support expense		(391,615)	(270,471)
Premises costs		(133,116)	(178,142)
Legal expense		(28,965)	(17,352)
Safeguarding premises and records expense		(63,901)	(61,313)
Diabetes Australia national levy		(83,499)	(103,122)
Donations to research		(330,000)	(164,000)
Publication, printing and stationery expense		(380,852)	(279,615)
Advertising, media and marketing expense		(57,749)	(43,953)
Postage and telephone expense		(996,533)	(1,021,255)
Warehousing and freight expense		(502,732)	(450,755)
Special event costs		(364,707)	(343,889)
Consultancy and contractor costs		(967,439)	(820,665)
Other expenses		(426,153)	(341,644)
Current year (deficit) / surplus before income tax		(357,616)	21,392
Tax expense		-	-
Net current year (deficit) / surplus		(357,616)	21,392
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value remeasurement gains/(losses) on available-for-sale financial assets, net of tax ($nil tax applicable; 2014: $nil)	8a	49,899	60,286
Total other comprehensive (loss) / income for the year		49,899	60,286
Total comprehensive (loss) / income for the year		(307,717)	81,678
Net current year (deficit) / surplus attributable to members of the entity		(357,616)	21,392
Total comprehensive (loss) / income attributable to members of the entity		(307,717)	81,678

The accompanying notes form part of these financial statements.

DIABETIC ASSOCIATION OF QUEENSLAND LIMITED - TRADING AS DIABETES QUEENSLAND

ABN: 18 009 790 327

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,592,460	5,435,619
Accounts receivable and other debtors	5	1,145,843	671,729
Inventories	6	15,840	6,677
Other current assets	7	60,014	59,502
TOTAL CURRENT ASSETS		5,814,157	6,173,527
NON-CURRENT ASSETS			
Financial assets	8	1,204,537	1,157,966
Property, plant and equipment	9	3,625,311	3,960,683
Intangibles	10	62,300	89,831
TOTAL NON-CURRENT ASSETS		4,892,148	5,208,480
TOTAL ASSETS		10,706,305	11,382,007
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	1,683,075	1,998,842
Unearned income	12	1,493,978	1,580,357
Employee provisions	13	76,664	17,810
TOTAL CURRENT LIABILITIES		3,253,717	3,597,009
NON-CURRENT LIABILITIES			
Employee provisions	13	87,956	112,649
TOTAL NON-CURRENT LIABILITIES		87,956	112,649
TOTAL LIABILITIES		3,341,673	3,709,658
NET ASSETS		7,364,632	7,672,349
EQUITY			
Retained surplus		7,029,419	7,257,035
Reserves		335,213	415,314
TOTAL EQUITY		7,364,632	7,672,349

The accompanying notes form part of these financial statements.

DIABETIC ASSOCIATION OF QUEENSLAND LIMITED - TRADING AS DIABETES QUEENSLAND
ABN: 18 009 790 327
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Retained Surplus	Development Fund Reserve	Financial Assets Reserve	Total
		$	$	$	$
Balance at 1 July 2013		7,235,643	275,575	79,453	7,590,671
Comprehensive Income					
Net surplus attributable to the entity		21,392	-	-	21,392
Other comprehensive income		-	-	60,286	60,286
Total comprehensive income		21,392	-	60,286	81,678
Balance at 30 June 2014		7,257,035	275,575	139,739	7,672,349
Comprehensive Income					
Net (deficit) attributable to the entity		(357,616)	-	-	(357,616)
Other comprehensive income		-	-	49,899	49,899
Transfer from reserve		130,000	(130,000)	-	-
Total comprehensive income		(227,616)	(130,000)	49,899	(307,717)
Balance at 30 June 2015		7,029,419	145,575	189,638	7,364,632

For a description of each reserve, refer to Note 20.

The accompanying notes form part of these financial statements.

DIABETIC ASSOCIATION OF QUEENSLAND LIMITED - TRADING AS DIABETES QUEENSLAND
ABN: 18 009 790 327
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,617,211	12,384,533
Payments to suppliers and employees		(13,487,745)	(12,634,804)
Interest received		138,663	186,185
Net cash used in operating activities	17	(731,871)	(64,086)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(114,616)	(185,007)
Proceeds from sale of available-for-sale investments		3,328	6,244
Net cash used in investing activities		(111,288)	(178,763)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net decrease in cash held		(843,159)	(242,849)
Cash on hand at beginning of the financial year		5,435,619	5,678,468
Cash on hand at end of the financial year	4	4,592,460	5,435,619

The accompanying notes form part of these financial statements.

The financial statements cover Diabetic Association of Queensland Limited - trading as Diabetes Queensland as an individual entity, incorporated and domiciled in Australia. Diabetic Association of Queensland Limited - trading as Diabetes Queensland is a company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, and the *Australian Charities and Not-For-Profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and is a charity registered with the Australian Charities and Not-for-profits Commission. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 31 August 2015 by the directors of the company.

Accounting Policies

(a) Revenue

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

Revenue from the sale of goods (including commissions earned under the Federal Government's National Diabetes Services Scheme) is recognised upon the dispatch of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Annual membership subscriptions are recognised on a proportional basis from the date the membership is accepted and/or renewed, to the year end.

Donations, appeals and sponsorships are recognised as revenue when received, other than where the amount relates to a specific activity to be conducted in a subsequent financial period. In these cases, the amount is carried forward in the statement of financial position as income received in advance. Bequests received with specific conditions are carried forward in the statement of financial position as unearned income. When the specific conditions are satisfied, the bequest is recognised as other income to match the expenditure incurred. All other bequests are recognised as income when received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant, which must be satisfied before it is eligible to retain the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

Costs are assigned on the basis of weighted average costs.

(c) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Note 1 Summary of Significant Accounting Policies (continued)

(c) Fair Value of Assets and Liabilities (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Basis of measurement of carrying amount

Land and buildings, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Any property, plant and equipment donated to the company or acquired for nominal cost are recognised at fair value at the date the company obtains control of the assets.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purposes and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Note 1 Summary of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	3 - 25% straight line
Plant and equipment	10 - 33% straight line
Motor vehicles	18.75% straight line

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Note 1 Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 1 Summary of Significant Accounting Policies (continued)

(g) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(h) Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of six months or less, and bank overdrafts.

(i) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods / services sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(l) Intangibles

Software

Software is initially recognised at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years. It is assessed annually for impairment.

(m) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Note 1 Summary of Significant Accounting Policies (continued)

(m) Employee Benefits (continued)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(n) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(o) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

(p) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

The freehold land and buildings were independently valued during the year by Gold Valuations. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

The directors have reviewed the key assumptions made by the valuers and therefore believe the carrying value of the land correctly reflects the fair value less cost to sell as at 30 June 2015.

Key Judgements

Recognition of Grant Income and Expenditure

The calculation of grant expenditure requires key estimates and judgements to be made in order to allocate direct and indirect costs attributable to each grant to determine the amount of each grant's unearned revenue at balance date and also the amount of grant revenue and expenditure to be brought to account through the profit or loss.

At 30 June 2015 the directors reviewed the key grant judgements made and are satisfied that grant income and expenditure has been correctly brought to account in the period and the balance of unearned grant income at 30 June 2015 is correctly stated.

Note 1 Summary of Significant Accounting Policies (continued)

(r) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

— AASB 9: Financial Instruments (December 2014) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

It is anticipated that these changes do not have a material impact on the Company's financial instruments carrying amounts and disclosure.

— IFRS 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018).

The core principle of IFRS 15 is that an entity is to recognise revenue to reflect the transfer of promised goods or services to customers in an amount that is based on the consideration to which the entity expects to be entitled in exchange for those goods or services.

The directors are still evaluating the impact, if any, of this proposed new standard.

Note 2 Revenue and Other Income

	Note	2015 $	2014 $
Revenue			
— Commissions earned on sale of NDSS goods and services		7,802,941	7,358,724
— Sale of Diabetic Association of Queensland Limited's goods and services		269,319	313,028
— Membership subscriptions		1,683,654	1,675,485
— Donations, appeals and sponsorship		692,452	572,489
— Fees and events		169,343	142,844
— Grant income		975,922	1,225,673
Other revenue			
— Interest received from non-related parties		138,663	186,185
		11,732,294	11,474,428
Other income			
— Bequests received		343,058	190,816
— Provision of services (Diabetes Australia Ltd)	16	160,600	9,724
— Other		20,996	24,459
Total other income		524,654	224,999
Total revenue and other income		12,256,948	11,699,427

Note 3 Result for the year

		Note	2015 $	2014 $
(a)	**Expenses**			
	Total employee benefits expense		6,731,457	6,043,562
	Depreciation and amortisation:			
	— land and buildings	9	207,859	187,047
	— motor vehicles	9	8,720	10,771
	— furniture and equipment	9	172,584	199,562
	— software	10	88,356	223,993
	Total depreciation and amortisation		477,519	621,373
	Auditor remuneration			
	— external audit services		23,970	21,700
	— other assurance services		3,950	3,800
	— taxation services provided by a related practice		1,750	1,200
	Total Audit Remuneration		29,670	26,700

Note 4 Cash and Cash Equivalents

	2015 $	2014 $
CURRENT		
Cash on hand and at bank	343,203	456,637
Short term deposits*	4,249,257	4,978,982
Total cash and cash equivalents as stated in the statement of financial position	4,592,460	5,435,619
Total cash and cash equivalents as stated in the cash flow statement	4,592,460	5,435,619

*These deposits have an average maturity of less than 4 months.

Note 5 Accounts Receivable and Other Debtors

	Note	2015 $	2014 $
CURRENT			
Accounts receivable		1,144,778	644,394
Other debtors		1,065	27,335
Total current accounts receivable and other debtors	18	1,145,843	671,729

Accounts receivable and other debtors are non-interest bearing and generally on 30 day terms.
A provision for impairment is recognised when there is objective evidence that an individual receivable is impaired.

Credit Risk - Accounts Receivable and Other Debtors
Details of the company's credit risk exposure is set out in note 18(a).

The following table details the company's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
2015			**< 30**	**31 – 60**	**61 – 90**	**>90**	
	$	**$**	**$**	**$**	**$**	**$**	**$**
Accounts receivable	1,144,778	-	24,465	49,758	4,640	26,400	1,039,515
Other debtors	1,065	-	-	-	-	-	1,065
Total	1,145,843	-	24,465	49,758	4,640	26,400	1,040,580

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
2014			**< 30**	**31 – 60**	**61 – 90**	**>90**	
	$	**$**	**$**	**$**	**$**	**$**	**$**
Accounts receivable	644,394	-	164,285	7,755	2,280	3,590	466,484
Other debtors	27,335	-	-	-	-	-	27,335
Total	671,729	-	164,285	7,755	2,280	3,590	493,819

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within the accounts receivable that contain assets that are impaired and are past due. It is expected that these balances will be received when due.

Note 6 Inventories

	2015 $	2014 $
CURRENT		
At lower of cost or current replacement cost		
Finished goods	15,840	6,677
	15,840	6,677

Note 7 Other Current Assets

	2015 $	2014 $
Prepayments	60,014	59,502
	60,014	59,502

Note 8 Financial Assets

	Note	2015 $	2014 $
NON-CURRENT			
Available-for-sale financial assets			
Diabetes iQ Fund	8a	1,204,537	1,157,966
		1,204,537	1,157,966

a. Available-for-sale financial assets

Available-for-sale financial assets comprise investments in equities and fixed interest securities held through a major Australian fund manager. There are no fixed returns or fixed maturity dates attached to these investments.

Gains and losses recognised in other comprehensive income in respect of available-for-sale financial	2015 $	2014 $
Net fair value gain on remeasurement	49,899	60,286
Total gains recognised in other comprehensive income	49,899	60,286

Note 9 Property, Plant and Equipment

	2015 $	2014 $
LAND AND BUILDINGS		
Freehold land:		
At Cost	1,650,000	1,650,000
Total land	1,650,000	1,650,000
Buildings:		
At Cost	2,783,341	2,783,341
Less accumulated depreciation	(1,038,420)	(830,561)
Total buildings	1,744,921	1,952,780
Total land and buildings	3,394,921	3,602,780
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	1,123,078	1,079,002
Less accumulated depreciation	(903,344)	(740,475)
	219,734	338,527
Motor vehicles:		
At Cost	122,704	122,704
Less accumulated depreciation	(112,048)	(103,328)
	10,656	19,376
Total plant and equipment	230,390	357,903
Total property, plant and equipment	3,625,311	3,960,683

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Note	Land and Buildings $	Motor Vehicles $	Plant and Equipment $	Total $
2014					
Balance at the beginning of the year		3,785,060	30,147	358,470	4,173,677
Additions at cost		4,767	-	179,619	184,386
Depreciation expense	3a	(187,047)	(10,771)	(199,562)	(397,380)
Carrying amount at end of year		3,602,780	19,376	338,527	3,960,683
2015					
Balance at the beginning of the year		3,602,780	19,376	338,527	3,960,683
Additions at cost		-	-	53,791	53,791
Depreciation expense	3a	(207,859)	(8,720)	(172,584)	(389,163)
Carrying amount at the end of the year		3,394,921	10,656	219,734	3,625,311

Note 9 Property, Plant and Equipment (continued)

Asset recoverable value

The freehold land and buildings were independently valued for impairment testing purposes at 30 June 2015 by Gold Valuations. The valuation was based on market value which represents the fair value less cost to sell as well as value in use which represents depreciated replacement cost. The critical assumptions adopted in determining the valuation included the current demand for land and buildings in the area, recent sales data for similar properties, and expected future rental returns. The valuation of the property is consistent with the current carrying value, therefore in the opinion of the directors there is no need for a revaluation adjustment.

Note 10 Intangibles

	Note	2015 $	2014 $
Computer software			
At Cost		797,822	736,997
Accumulated amortisation		(735,522)	(647,166)
Net carrying amount		62,300	89,831

	Note	Computer software $
Movements in carrying amounts:		
2014		
Balance at the beginning of the year		313,203
Additions		11,877
Disposals		(11,256)
Amortisation charge	3a	(223,993)
Closing carrying amount at 30 June 2014		89,831
2015		
Balance at the beginning of the year		89,831
Additions		60,825
Amortisation charge	3a	(88,356)
Closing carrying amount at 30 June 2015		62,300

Note 11 Accounts Payable and Other Payables

	Note	2015 $	2014 $
CURRENT			
Accounts payable		1,342,759	1,680,238
Employee benefits		340,316	318,604
	11a	1,683,075	1,998,842

	Note	2015 $	2014 $
a. Financial payables at amortised cost classified as accounts and other payables			
Total current accounts and other payables		1,683,075	1,998,842
Less other non-financial liabilities			
— short-term employee benefits		(340,316)	(318,604)
— GST payable		(175,480)	(111,309)
Financial liabilities as accounts payable and other payables	18	1,167,279	1,568,929

Note 12 Unearned Income

	2015	2014
	$	$
CURRENT		
Membership subscriptions in advance	1,152,715	902,624
Unearned grant income	341,263	677,733
	1,493,978	1,580,357

Note 13 Employee Provisions

	2015	2014
CURRENT		
Short-term Employee Benefits	$	$
Opening balance at 1 July 2014	17,810	16,883
Movement in provisions during year	58,854	927
Balance at 30 June 2015	76,664	17,810
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 July 2014	112,649	80,106
Movement in provisions during year	(24,693)	32,543
Balance at 30 June 2015	87,956	112,649

	2015	2014
Analysis of Employee Provisions	$	$
Current	76,664	17,810
Non-current	87,956	112,649
	164,620	130,459

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 14 Capital and Leasing Commitments

(a) Capital and Leasing Commitments

	2015	2014
	$	$
— not later than 12 months	216,249	-
	216,249	-

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2015	2014
Payable – minimum lease payments	$	$
— not later than 12 months	133,668	143,890
— later than 12 months but not later than 5 years	62,394	196,062
	196,062	339,952

Operating lease commitments relates to equipment.

Note 15 Key Management Personnel Compensation

Key management personnel of the Company are the directors, and those members of senior management having overall authority and responsibility for planning, directing and controlling the activities of the Company.

	Salary & Fees *	Bonus *	Non-cash benefits *	Superannuation **	Total ***
2015	$	$	$	$	$
Total compensation	523,145	32,000	149,821	64,834	769,800
2014					
Total compensation	455,577	40,000	132,644	58,363	686,584

* Short term compensation
** Post employment compensation
*** Total performance related 2015: 4.2% (2014: 5.8%)

Note 16 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

(1) Directors and key management personnel:

The directors and key management personnel, or their related entities, may transact with the company within a normal member, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the company would have adopted if dealing with an entity at arm's length. These transactions include the following:

As customers:

Payment of membership subscriptions, purchase of goods and services, and/or payment of donations and fundraising amounts.

The amounts involved in the above transactions are nominal.

Ms Monika Campbell, a director of the company, provides consulting services to Diabetes Queensland on an ongoing basis. Services provided amounted to $7,465 (2014: $59,064).

As suppliers:

The company holds membership to the Australasian Society of Association Executives (AuSAE) and on occasion attends functions held by AuSAE. Belinda Moore was a director during the year and she is a board member for AuSAE. The value of the services provided by AuSAE amounted to $3,461 (2014: $1,010).

(2) Other related parties:

Ms Carol Mackey, a director of the company, is also a director of Diabetes Australia Ltd (DAL). DAL is the national body representing the interests of people with or at risk of diabetes.

The company acts as an agent of DAL under the NDSS contract and derives revenue from that service (see note 2). The company also provided other services to DAL in the year to the value of $160,600 (2014: $9,724). DAL owes the company $207,381 (2014: $180,875) at balance date.

Note 17 Cash Flow Information

	2015 $	2014 $
Reconciliation of Cash Flow from Operating Activities with Current Year (Deficit) / Surplus		
(Deficit) / Profit after income tax	(357,616)	21,392
Non-cash flows:		
Depreciation and amortisation expense	477,519	621,373
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	(474,114)	173,092
(Decrease) in accounts payable and other payables	(315,767)	(574,997)
(Increase) in other assets	(512)	(27,947)
(Decrease) in other liabilities	(86,379)	(316,962)
Increase in provisions	34,161	33,470
(Increase)/decrease in inventories	(9,163)	6,493
	(731,871)	(64,086)

Note 18 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term and long-term investments, accounts receivable and payable.

The company does not have any derivative instruments as at 30 June 2015.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 $	2014 $
Financial assets			
Cash and cash equivalents	4	4,592,460	5,435,619
Accounts receivable and other debtors	5	1,145,843	671,729
Available-for-sale financial assets	8a, 19	1,204,537	1,157,966
Total financial assets		6,942,840	7,265,314
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	11a	1,167,279	1,568,929
Total financial liabilities		1,167,279	1,568,929

Financial Risk Management Policies

The audit and risk management committee, along with senior executives of the company, meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the company in meeting its short term and long term financial targets, whilst minimising potential adverse effects on financial performance.

The audit and risk management committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. This includes credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, equities price risk, liquidity risk and credit risk. There have been no changes to risk management policies.

(a) Credit risk

Credit risk is a risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables and term deposits at banks. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets as disclosed in the statement of financial position and notes to the financial statements.

Note 18 Financial Risk Management (continued)

Specific Financial Risk Exposures and Management (continued)

(a) Credit risk (continued)

A significant amount of the company's revenue is derived from the sale of diabetic goods and services provided by the Federal Government and Diabetes Australia Ltd (the national diabetes peak body) under the National Diabetes Services Scheme, in conjunction with the Queensland Government.

At balance date, the amounts receivable from the governmental bodies totalled $850,274 (2014: $462,390) and the amount receivable from Diabetes Australia Limited was $207,381 (2014: $180,875). The company's bank accounts and deposits are with a variety of recognised/reputable banks in Australia. Other than under these arrangements the company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial instruments.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis:

	Within 1 Year		Over 5 years		Total	
	2015	2014	2015	2014	2015	2014
Financial liabilities due for payment	$	$	$	$	$	$
Accounts payable and other payables (excluding estimated annual leave and deferred income) *	1,167,279	1,568,929	-	-	1,167,279	1,568,929
Total expected outflows	1,167,279	1,568,929	-	-	1,167,279	1,568,929
Financial Assets - cash flows realisable						
Cash and cash equivalents**	4,592,460	5,435,619	-	-	4,592,460	5,435,619
Accounts receivable and other debtors*	1,145,843	671,729	-	-	1,145,843	671,729
Available for sale financial assets*	-	-	1,204,537	1,157,966	1,204,537	1,157,966
Total anticipated inflows	5,738,303	6,107,348	1,204,537	1,157,966	6,942,840	7,265,314
Net (outflow) / inflow on financial instruments	4,571,024	4,538,419	1,204,537	1,157,966	5,775,561	5,696,385

* Non-interest bearing. ** Interest bearing (floating interest rate).

Weighted average effective interest rate on cash and cash equivalents: 2015: 2.38% (2014: 3.03%)

Note 18 Financial Risk Management (continued)

Specific Financial Risk Exposures and Management (continued)

(c) Market Risk

(i) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the company's income. Interest rate risk is managed with a mixture of fixed and floating rate deposits. The financial instruments which primarily expose the company to interest rate risk are cash and cash equivalents.

(ii) Equity price risk

The company is exposed to securities price risk on investments held for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2015	Profit $	Equity $
+/- 1% in interest rates	45,925	45,925
+/- 1% in available-for-sale financial assets	-	12,045

Year ended 30 June 2014	Profit $	Equity $
+/- 1% in interest rates	56,785	56,785
+/- 1% in available-for-sale financial assets	-	11,039

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

Refer to Note 19 for detailed disclosures regarding the fair value measurement of the company's financial assets and financial liabilities.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

		2015		2014	
	Note	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial assets					
Cash and cash equivalents	(i)	4,592,460	4,592,460	5,435,619	5,435,619
Accounts receivable and other debtors	(i)	1,145,843	1,145,843	671,729	671,729
Available-for-sale financial assets:					
— at fair value					
— investments available for sale	(ii)	1,204,537	1,204,537	1,157,966	1,157,966
Total financial assets		6,942,840	6,942,840	7,265,314	7,265,314
Financial liabilities					
Accounts payable and other payables	(i)	1,167,279	1,167,279	1,568,929	1,568,929
Total financial liabilities		1,167,279	1,167,279	1,568,929	1,568,929

Note 18 Financial Risk Management (continued)

Fair Values (continued)

Fair value estimation (continued)

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

(ii) For available-for-sale financial assets, closing quoted bid prices at the end of the reporting period are used, on valuation of income streams.

Note 19 Fair Value Measurements

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition.

— available-for-sale financial assets

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13 'Fair Value Measurement' requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

— Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

— Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

— Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

Note 19 Fair Value Measurements (continued)

(a) Fair Value Hierarchy (continued)

Valuation techniques (continued)

		30 June 2015			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	**Note**	$	$	$	$
Financial assets					
Available-for-sale financial assets	8		1,204,537		1,204,537
Total financial assets recognised at fair value		-	1,204,537	-	1,204,537

		30 June 2014			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements	**Note**	$	$	$	$
Financial assets					
Available-for-sale financial assets	8		1,157,966		1,157,966
Total financial assets recognised at fair value		-	1,157,966	-	1,157,966

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2014: Nil transfers).

(b) Valuation techniques and inputs used to measure Level 2 fair values

Description	**Fair value ($) at 30 June 2015**	**Valuation technique(s)**	**Inputs used**
Financial assets			
Available-for-sale financial assets	1,204,537	Income approach: valuation techniques (including quoted market prices) that convert estimated future cash flows or income and expenses into a single discounted present value.	BT Portfolio Wrap Portfolio Valuation
	1,204,537		

There were no changes during the period in the valuation techniques used by the company to determine Level 2 fair values.

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

Note 20 Reserves

(a) **Development Fund and Operating Reserve**

This fund consists principally of unconditional bequests made to the company during the financial years 1994 to present. The fund has been established by the directors for the ongoing evolutionary needs of the organisation, consistent with the objectives of the company. In the 2015 year $130,000 of the reserve has been transferred to retained surplus for the purpose of partially funding the company's annual donation to the Diabetes Australia Research Trust (DART).

(b) **Financial Assets Reserve**

The financial asset reserve records revaluation increments and decrements, excluding impairment write-downs, that relate to financial assets that are classified as available-for-sale.

Note 21 Economic Dependency

A significant amount of the company revenue is derived from the sale of diabetic goods and services provided by the Federal Government and Diabetes Australia Ltd under the National Diabetes Services Scheme (NDSS), in conjunction with the Queensland Government.

The Federal Government and Diabetes Australia Ltd renewed the NDSS contract for a further term of five years commencing 1 July 2011. The Federal Government has announced the transfer of product supply and delivery arrangements of the NDSS products from Diabetes Australia to the Community Services Obligation (CSO) funding pool from 1 July 2016. Discussions have commenced regarding the registrant services offering that are likely to be included in the next NDSS agreement. The company is a participant in this contract as an Agent, and will continue to provide NDSS services under the contract until it comes up for renewal/reassessment on 30 June 2016. There has been an increase in the number of people accessing NDSS over the past 12 months. NDSS has played an important role in the lives of Australians with diabetes providing them with subsidised products and services to help manage their diabetes.

The level of income from bequests is not directly under the control of the company, and may vary substantially from year to year.

The company is also reliant on members' subscriptions, government grants and donations as sources of revenue.

Note 22 Entity Details

The registered office of the entity is:

Diabetic Association of Queensland Limited - trading as Diabetes Queensland
29 Finchley Street, MILTON Qld 4064

The principal place of business is:

29 Finchley Street, MILTON Qld 4064

Note 23 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. The liability of the members is limited. If the company is wound up, the constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the company. At 30 June 2015 the number of financial members was 39,831.

The company's constitution also prohibits the payment of dividends. Consequently the company's capital comprises of its retained earnings, reserves and external borrowings, if any, supported by financial assets. The company's policy is to balance these sources of capital to meet its operating requirements and to ensure that the company can continue as a going concern.

There are no externally imposed capital requirements. There have been no changes in strategy adopted by management to control the capital of the company since last year.

DIABETIC ASSOCIATION OF QUEENSLAND LIMITED - TRADING AS DIABETES QUEENSLAND
ABN: 18 009 790 327
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Diabetic Association of Queensland Limited - trading as Diabetes Queensland, the directors declare that:

1. The financial statements and notes, as set out on pages 11 to 33, are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position of the company as at 30 June 2015 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director ______________________ ***Craig Beyers***

Dated this 31st day of August 2015

Hayes Knight
Accountants, Advisors & Auditors

Hayes Knight Audit (Qld) Pty Ltd
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Registered Audit Company 299289

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIABETIC ASSOCIATION OF QUEENSLAND LIMITED

Report on the financial report

We have audited the accompanying financial report of Diabetic Association of Queensland Limited (the company) which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Corporations Act 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIABETIC ASSOCIATION OF QUEENSLAND LIMITED (CONTINUED)

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Diabetic Association of Queensland Limited as attached to the directors' report, has not changed as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Diabetic Association of Queensland Limited is in accordance with the Corporations Act 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Level 23, 10 Eagle Street
Brisbane, QLD, 4000

Date: 31 August 2015