

The Diabetes Research Foundation of Western Australia (Inc.)

ABN 43743957408

Trading as Diabetes Research WA

**Annual Financial Report
For the year ended 30 June 2017**

The Diabetes Research Foundation of Western Australia (Inc.)
ANNUAL REPORT
For the year ended 30 June 2017

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The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT For the year ended 30 June 2017

BOARD REPORT

The Members of the Board present their Report together with the financial report of The Diabetes Research Foundation of Western Australia (Inc.) ("the Association" or "DRFWA") for the year ended 30 June 2017 and the auditor's report thereon.

MEMBERS OF THE BOARD

Mr Peter Kerr

Chairman of the Board since May 2017

Peter is an Australian Chartered Accountant with more than 20 years' experience in the mining industry in Australia and Canada, including corporate, operations and senior executive roles. He is presently Chief Financial Officer at Mount Gibson Iron Limited. Having been part of DRFWA's Board from 1997 to 2000 and greatly admiring the work of the organisation over a long period, Peter re-joined DRFWA in October 2015. Peter was appointed Chairman in May 2017 and is passionate about research into all forms of diabetes.

Dr Joey Kaye

Vice-Chairman

Joey is a Consultant Endocrinologist and the Director of Diabetes Services at Sir Charles Gairdner Hospital in Western Australia. Joey completed his undergraduate medical training at The University of Western Australia, physician training at various hospitals in Western Australia and completed specialist training in Endocrinology and Diabetes in 2001. Joey undertook a PhD in neuro-endocrinology at the University of Bristol in the UK from 2000-03.

Mr Mervyn Rothstein

Honorary Secretary

Mervyn is a commercial lawyer and registered migration agent who has had involvement in various diabetes associations in Australia and South Africa for over 30 years.

Mrs Janette Lano

Honorary Treasurer

Janette is a highly experienced group accountant at Perseus Mining Limited and prior to this worked at Mount Gibson Iron Limited. She joined the DRFWA Board in May 2017 as Honorary Treasurer. Janette is a member of CPA Australia and understands the power of research to make a difference to the lives of those with the condition.

Associate Professor Elizabeth Davis

Board Member

Liz is a Paediatric Endocrinologist and Deputy Head of the Department of Diabetes and Endocrinology at Princess Margaret Hospital in Perth, WA. She is also a Senior Clinical Lecturer at the Telethon Institute for Child Health Research. Liz works as a clinician and is actively involved in research relating to diabetes, obesity and the metabolic syndrome in children.

Mr Ken Pettit SC

Board Member

Ken is a Senior Counsel and commenced practise at the Independent Bar in 1995. Ken has practised in large commercial matters, administrative and constitutional law, public sector inquiries and investigations, industrial law and native title litigation.

Mrs Catherine Broadbent

Board Member

Cathy is a Principal Accountant and tax advisor who spent more than 20 years at PricewaterhouseCoopers and is a member of the Salary and Allowances Tribunal. She has a personal interest in diabetes and helping to progress the search for a cure.

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT For the year ended 30 June 2017

BOARD REPORT - continued

MEMBERS OF THE BOARD - continued

Ms Sally Bruce

Co-opted Board Member

Sally has over 18 years' experience in estate litigation and succession planning and holds the position of Special Counsel at Jackson McDonald. Estate litigation is a major part of Sally's practice. She has acted in many family provision disputes and strives to achieve cost effective mediated outcomes wherever possible.

Ms Liz McGrath

Co-opted Board Member

Liz is a writer and communicator with more than 25 years' experience working in Australia, London and New York, and is the Media Advisor and Uniview Editor at The University of Western Australia.

Mr Brad Russell-Lane

Co-opted Board Member

Brad holds the role of CEO North West Shelf & Vice President Australia Business at Woodside Energy where he has worked since 1989. Brad is also a committee member at Southern Capes Motorcycle Club. He was diagnosed with Type 1 diabetes at the age of 36 and is an advocate for workplace and corporate giving, believing that diabetes research in WA is world-class.

Dr Erica Smyth

Past Chairman of the Board, resigned May 2017

With a Master of Science degree in Minerals Exploration, Erica has enjoyed a long career in the minerals and petroleum industries and is now a professional company director. She is an independent director of Emeco Holdings Ltd, ANSTO, the Deep Exploration Technologies CRC and the Royal Flying Doctor Service (Western Operations). Erica, who has Type 1 diabetes, has been with DRFWA since 1998. Erica resigned from the Board in May 2017 and remains a committed supporter of the organisation.

EXECUTIVE MANAGEMENT

Ms Sherl Westlund

Executive Director

Sherl joined DRFWA in 1997 after returning to Perth from a stint in the country as the Clinical Co-ordinator of the Northampton Asthma Service and Resource/Education Officer for the Asthma Foundation in the Midwest. Sherl is passionate about diabetes research and the benefits for all that this can bring, from improved quality of care for those living with diabetes to easier methods of insulin administration and the real possibility of finding a cure. Sherl is an Associate Fellow of the Australian Institute of Management, a member of the Australian Institute of Company Directors and a member of the Australasian Society for Association Executives.

The Diabetes Research Foundation of Western Australia (Inc.)

ANNUAL REPORT

For the year ended 30 June 2017

BOARD REPORT - continued

MEETINGS OF MEMBERS OF THE BOARD

The number of meetings of the Association's Members of the Board held during the year ended 30 June 2017, and the numbers of meetings attended by each member of the Board were:

Members of the Board	Board Meetings		Fundraising Committee Meetings	
	A	B	A	B
Mr Peter Kerr	3	3	4	4
Dr Joey Kaye	3	-	-	-
Mr Mervyn Rothstein	3	3	-	-
Mrs Janette Lano	-	-	1	-
Ms Sherl Westlund	3	2	4	4
Associate Professor Elizabeth Davis	3	2	-	-
Mr Ken Pettit SC	3	2	-	-
Mrs Catherine Broadbent	3	2	4	4
Ms Sally Bruce	2	2	4	4
Mr William Coleman	1	1	4	4
Ms Liz McGrath	2	2	4	2
Mr Brad Russell-Lane	-	-	1	1
Dr Erica Smyth	3	3	-	-

A = Number of meetings eligible to attend

B = Number of meetings attended

PRINCIPAL ACTIVITIES

The principal activity of the Association during the year was to act as a charitable institution providing research funds to Western Australian diabetes researchers. No significant change in the nature of those activities occurred during the year.

DIVIDENDS

As the Association has no share capital, no dividends are payable.

REVIEW OF OPERATIONS

DRFWA is a private charitable Association dedicated to the funding of research in Western Australia focused on the prevention, control and cure of all types of diabetes. The Association's objectives are to fund the State's best researchers to investigate the causes and complications of all forms of diabetes, to search for new ways to prevent and control diabetes, and to discover a cure for diabetes. Funds are sourced from bequests, fundraising initiatives, workplace and corporate giving, and generous personal donations.

KEY STRATEGIES FOR ACHIEVING OBJECTIVES

Through the Association's efforts, funds are sourced for the purpose of enabling world-class diabetes research in Western Australia. The Association currently awards two annual research grants to applicants through a formal and competitive application process. The selection of grant awardees each year is overseen by an independent Medical Advisory Panel. This panel reviews all grant applications and makes recommendations to the Members of the Board on the worthiness of such applications. Approval of research grants is ultimately decided by the Board.

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT For the year ended 30 June 2017

BOARD REPORT - continued

MEASUREMENT OF PERFORMANCE

The success of DRFWA is measured through formal and informal monitoring of our key objectives for each year. The Board meets approximately every two months and at each meeting reviews the financial, marketing and research outcomes of the Association, and its future plans. The key areas monitored include:

- Compliance with regulatory and acceptable business practices;
- Effective management of the Association;
- Cost control;
- Periodic fundraising targets;
- Applications and processes for the award of research grants;
- Website “hits” and enquiries, and media presence; and
- Performance of fundraising and other programs against expectations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the Association continued to raise funds from generous estate bequests and donations from members and other individuals and companies, and to apply these funds to diabetes research projects and general running costs. In addition, as foreshadowed last year, DRFWA returned the sum of \$295,980 to a deceased estate at the request of the relevant estate executor following further interpretation of the deceased’s bequest documentation.

Other than the above, there were no significant changes in the state of affairs during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters or circumstances have arisen since 30 June 2017 that have significantly affected the Association’s operations, results or state of affairs, or may do so in future years.

ENVIRONMENTAL REGULATION

The Association’s operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Since the start of this financial year, the Association has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer or auditor of the Association.

During the financial year the Association has paid premiums in respect of Members of the Board and Officers’ liability and legal expenses insurance contracts for the year ending 30 June 2017. Such insurance contracts insure against liability (subject to specific exclusions) arising against persons who are or have been Members of the Board or Officers of the Association.

BOARD MEMBERS’ BENEFITS

During the year no member of the Board has received or become entitled to receive any benefit by reason of a contract made by the Association with the member of the Board or with a firm of which he or she is a member or a company in which he or she has a substantial financial interest, except as otherwise disclosed in Note 12 of the financial statements.

**The Diabetes Research Foundation of Western Australia (Inc.)
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BOARD REPORT - continued

GRANTS PAID AND AWARDED

In financial year 2016-17, the Association paid grants (excluding GST) totalling \$119,798 (2015-16: \$75,000) as listed below:

	2016-17	2015-16
	\$	\$
Centre for Diabetes Research – G Morahan	-	37,500
Telethon Kids Institute – S Gorman	37,500	37,500
Princess Margaret Hospital – K Rothacker	40,000	-
University of Western Australia – V Matthews	40,000	-
Matt Cooper – travel grant	2,298	-
	119,798	75,000

To ensure that the Association is kept updated and across any issues with the research, DRFWA releases half of the funds first upon receipt of an invoice and the remainder is released midway through the research following receipt of a suitable interim report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC) is set out on page 15 and forms part of this Board Report.

This Board Report is made in accordance with a resolution of the Members of the Board.



Peter Kerr
Chairman of the Board



Janette Lano
Honorary Treasurer

Perth
11 September 2017

**The Diabetes Research Foundation of Western Australia (Inc.)
ANNUAL REPORT
For the year ended 30 June 2017**

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

To the Board of The Diabetes Research Foundation of Western Australia Inc

As lead engagement partner for the audit of The Diabetes Research Foundation of Western Australia Inc for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



Michael Cooper

Optima Audit

11 September 2017

**The Diabetes Research Foundation of Western Australia (Inc.)
ANNUAL REPORT
For the year ended 30 June 2017**

FINANCIAL STATEMENTS

This financial report covers The Diabetes Research Foundation of Western Australia (Inc.), trading as “Diabetes Research WA” (the “Association” or “DRFWA”) as an individual entity.

The financial report is presented in Australian currency.

DRFWA is a not-for-profit association incorporated in Western Australia under the Associations Incorporation Act (WA) 2015 (‘the Act’). Its registered office and the principal place of business is:

Level 5 Ainslie House
RPH Precinct
48 Murray Street
Perth WA 6000

A description of the nature of the Association’s operations and its principal activities is included in the Board Report on pages 10–14, which does not form part of these financial statements.

The financial statements were authorised for issue by the Members of the Board on 11 September 2017. The Members of the Board have the power to amend and reissue the financial statements.

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

		<i>Year Ended 30 June</i>	<i>Year Ended 30 June</i>
	<i>Notes</i>	2017	2016
		\$	\$
Revenue from continuing operations	4	252,904	427,014
Expenses			
Employee benefits expenses		(160,719)	(159,912)
Advertising and promotion		(62,107)	(53,156)
Bequest Returned	5	(295,980)	-
Other expenses	5	(20,052)	(24,204)
Research grants expensed during the year		(119,798)	(150,000)
Surplus (deficit) for the year		(405,752)	39,742
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified to profit or loss		-	-
Other comprehensive surplus (deficit) for the year		-	-
Total comprehensive income (deficit) for the year		(405,752)	39,742

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

**The Diabetes Research Foundation of Western Australia (Inc.)
ANNUAL REPORT**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	<i>Notes</i>	30 June 2017 \$	30 June 2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,072,975	1,540,880
Trade and other receivables	7	6,527	16,622
Other assets	8	1,990	1,476
Total current assets		1,081,492	1,558,978
Non-current assets			
Equipment	9	1,235	488
Total non-current assets		1,235	488
TOTAL ASSETS		1,082,727	1,559,466
LIABILITIES			
Current liabilities			
Trade and other payables	10	58,039	102,040
Employee benefits	11	9,848	36,833
Total current liabilities		67,887	138,874
TOTAL LIABILITIES		67,887	138,874
NET ASSETS		1,014,840	1,420,592
ACCUMULATED FUNDS			
Retained Earnings		1,014,840	1,420,592
TOTAL ACCUMULATED FUNDS		1,014,840	1,420,592

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

**The Diabetes Research Foundation of Western Australia (Inc.)
ANNUAL REPORT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	<i>Notes</i>	<i>Year Ended 30 June 2017 \$</i>	<i>Year Ended 30 June 2016 \$</i>
Cash flows from operating activities			
Donations received		225,158	363,034
Bequest returned	5	(298,980)	-
Interest received		29,758	42,145
Memberships		611	531
Other income		281	25,911
Payment to suppliers and employees		(303,654)	(230,710)
Research and education expenses		(119,798)	(150,000)
Net cash flows from operating activities		(466,624)	50,911
Cash flows used in investing activities			
Receipts from/(Investments into) Term Deposits		-	1,268,537
Acquisition of office equipment		(1,281)	-
Net cash flows from investing activities		(1,281)	1,268,537
Net increase/(decrease) in cash and cash equivalents		(467,905)	1,319,448
Cash and cash equivalents at beginning of period		1,540,880	221,432
Cash and cash equivalents at end of period	6	1,072,975	1,540,880

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

**The Diabetes Research Foundation of Western Australia (Inc.)
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For the year ended 30 June 2017**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2017**

	General Funds \$	Total Accumulated Funds \$
Balance at 1 July 2015	1,380,850	1,380,850
Surplus (Deficit) for the year	39,742	39,742
Other comprehensive income	-	-
Balance at 30 June 2016	1,420,592	1,420,592
Balance at 1 July 2016	1,420,592	1,420,592
Surplus/(Deficit) for the year	(405,752)	(405,752)
Other comprehensive income	-	-
Balance at 30 June 2017	1,014,840	1,014,840

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

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS 30 June 2017

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of The Diabetes Research Foundation of Western Australia (Inc.).

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The Diabetes Research Foundation of Western Australia (Inc.) is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Members of the Board on 11 September 2017.

2. CHANGES IN ACCOUNTING POLICIES

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.1 Basis of Preparation

First-time adoption of IFRS accounting policy

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements for the year ended 30 June 2017 are the first the Association has prepared in accordance with IFRS.

Historical cost convention

These financial statements have been prepared on a going concern basis and under the historical cost convention.

Critical accounting estimates

Preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Association's accounting policies. There were no areas involving higher degrees of judgement or complexity, or areas where assumptions and estimates were significant to the financial statements of the Association.

Functional and presentation currency

Items included in the financial statements of the Association's operations are measured using the currency of the primary economic environment in which the entity operates ('the function currency'). The financial statements are presented in Australian dollars, which is the Association's functional and presentation currency.

**The Diabetes Research Foundation of Western Australia (Inc.)
ANNUAL REPORT**

**NOTES TO THE FINANCIAL STATEMENTS
30 June 2017 (continued)**

3.2 Revenue Recognition

Revenue is measured by reference to the fair value of consideration received or receivable, when the Association is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations

Donations are recognised when the amounts are received. In common with most organisations dependent on such contributions, the Association is unable to establish control over voluntary donations prior to their initial entry into the accounting records.

Bequests

Revenue is recognised when bequests are received by the Association.

Interest Revenue

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

3.3 Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Association.

Where a bequest is received in the form of assets, these are recognised at fair value at the date acquired.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of the asset. The estimated useful lives range as follows:

Buildings	25 to 50 years
Vehicles	4 to 10 years
IT Equipment	3 to 5 years
Furniture, fittings and other equipment	3 to 8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

3.4 Income Tax

The Diabetes Research Foundation of Western Australia (Inc.) is exempt from tax under Subdivision 50-B of the Income Tax Assessments Act 1997.

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS 30 June 2017 (continued)

3.5 Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and other short term highly liquid investments with original maturities of three months or less.

For the purposes of presentation in the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash flows are presented in the Statement of Cash Flows on a gross basis.

3.6 Payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year which are still outstanding. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value.

3.7 Employee benefits

The liability for employee benefits relates to amounts expected to be paid to employees for annual leave, long service leave, salary sacrifice and superannuation. It is based on legal and contractual entitlements. Current wage rates are used in the calculation of the provision.

3.8 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

3.9 Contingent Liabilities

Where there exists a possible obligation, defined as having a less than a 50% chance of becoming a present obligation, the Association recognises a contingent liability.

3.10 Adoption of new and revised accounting standards

The Association has adopted all standards which become effective for the first time at 30 June 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

3.11 New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards.

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2017 (continued)

	<i>30 June</i> 2017 \$	<i>30 June</i> 2016 \$
4. REVENUE		
General donations	64,339	61,701
Bequests from deceased estates	156,620	301,333
Memberships	670	590
Interest	29,679	37,436
Other Income	1,596	25,954
	<u>252,904</u>	<u>427,014</u>
5. EXPENSES		
Bequest Returned		
Repayment of bequest income received in FY2015-16	295,980	-
Other Expenses		
Audit fees	1,800	2,250
Legal fees	41	5,425
Insurance	2,352	1,558
Depreciation	533	213
Other administration costs	15,326	14,759
	<u>20,052</u>	<u>24,205</u>
6. CASH AND CASH EQUIVALENTS		
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:		
Cheque accounts	65,901	164,461
Term deposit	1,007,074	1,375,419
	<u>1,072,975</u>	<u>1,540,880</u>
7. TRADE AND OTHER RECEIVABLES		
Receivables	1,980	1,980
Net GST receivable	2,570	14,635
Interest receivable	1,977	7
	<u>6,527</u>	<u>16,622</u>
8. OTHER ASSETS		
Prepayments	1,990	1,476
	<u>1,990</u>	<u>1,476</u>

**The Diabetes Research Foundation of Western Australia (Inc.)
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**NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2017 (continued)**

9. EQUIPMENT

Gross carrying amount	Furniture and Fixtures	IT Equipment	Total
Balance 1 July 2016	2,804	-	2,804
Additions	-	1,281	1,281
Disposals	-	-	-
Revaluation	-	-	-
Balance 30 June 2017	2,804	1,281	4,085

Accumulated Depreciation	Furniture and Fixtures	IT Equipment	Total
Balance 1 July 2016	2,316	-	2,316
Additions	214	320	533
Disposals	-	-	-
Revaluation	-	-	-
Balance 30 June 2017	2,530	320	2,849

Carrying Amount	Furniture and Fixtures	IT Equipment	Total
At 1 July 2016	488	-	488
At 30 June 2017	274	961	1,235

10. TRADE AND OTHER PAYABLES

	<i>30 June 2017</i>	<i>30 June 2016</i>
	\$	\$
Accrued expenses	47,165	90,972
PAYG withholding payable	7,170	7,408
Superannuation payable	3,704	3,660
	58,039	102,040

11. EMPLOYEE BENEFITS

Liability for annual leave	9,848	23,083
Liability for long service leave	-	13,750
	9,848	36,833

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2017 (continued)

12. EVENTS AFTER THE BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

13. RELATED PARTY TRANSACTIONS

The Association's related parties include its Key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

Transactions with Key management personnel

Key management of the Association are the Members of the Board and the Executive Director. Details of the Members of the Board are disclosed in the Board Report. Other than the Executive Director who received remuneration, the other Members of the Board of DRFWA did not receive any emoluments during the year. No Members of the Board are associated with companies or firms which provided services to the Association during the year.

14. COMMITMENTS

The Association has the following diabetes research commitments as at 30 June 2017:

- Remaining amount of \$40,000 payable for the study on the effect of hypoglycaemia in standard and low insulin states on exercise performance; and
- Remaining amount of \$40,000 payable for the study on the role of the sympathetic nervous system in regulation of sodium glucose co-transporter 2.

15. CONTINGENT LIABILITY

There are no contingent liabilities that have been incurred by the Association in relation to the financial year ended 30 June 2017.

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

DECLARATION BY MEMBERS OF THE BOARD

In the opinion of the Members of the Board of The Diabetes Research Foundation of Western Australia (Inc.):

The financial statements and notes of The Diabetes Research Foundation of Western Australia (Inc.) are in accordance with 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 2017 and of its performance for the financial year ended on that date; and
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations)

There are reasonable grounds to believe that The Diabetes Research Foundation of Western Australia (Inc.) will be able to pay its debts as and when they become due and payable.

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



Chairman – Mr Peter Kerr



Treasurer – Mrs Janette Lano

Dated: 11 September 2017

The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

AUDITOR'S OPINION



registered
company auditors

The Diabetes Research Foundation of Western Australia (Inc)

Independent Audit Report to the members of The Diabetes Research Foundation of Western Australia (Inc)

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Diabetes Research Foundation of Western Australia (Inc) (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime.

Basis for Qualified Opinion

It is not always practicable for the Entity to establish accounting controls over all sources of fundraising appeal activities prior to receipt of these funds by employees of the Entity and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of the Entity.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist The Diabetes Research Foundation of WA (Inc) to report to its members. As a result, the financial report may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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



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The Diabetes Research Foundation of Western Australia (Inc.) ANNUAL REPORT

AUDITOR'S OPINION - continued

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.

Optima Audit Pty Ltd

Optima Audit



Michael Cooper

Osborne Park

11 September 2017