

Diabetes Victoria

ABN 71 005 239 510

Annual Report - 30 June 2026

Diabetes Victoria
Contents
As at 30 June 2026

Directors' report	2
Independent auditor's report to the members of Diabetes Victoria	8
Directors' declaration	11
Statement of profit or loss and other comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16
Auditor's independence declaration	30

**Diabetes Victoria
Directors' report
As at 30 June 2026**

The Directors of Diabetes Victoria hereby submit the annual financial report of the Company for the year ended 30 June 2026. To comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the Directors report as follows:

Directors

The names of the Directors of the Company during or since the end of the financial year are:

Richard Loveridge	Elected 2019; elected President 2022
Qualifications	B Comm, LLB, Grad Dip Applied Finance, FINSIA.
Experience	Experienced corporate and commercial lawyer, who provided specialist advice on capital raisings, mergers and acquisitions while a partner at Herbert Smith Freehills for more than 21 years. Currently holds several non-executive directorships.
Special responsibilities	President; Chair of Executive Committee; Chair of Audit & Risk Committee; Chair of Commercial Committee; ex officio on all other Committees.
Kathryn Arndt	Elected 2007
Qualifications	Bachelor of Business (HRM), Graduate Diploma (Bus), Member of the Australian Institute of Company Directors.
Experience	CEO of the Victorian Local Governance Association (VLGA) and experienced Non-Executive Director across health services, community-based organisations, financial services and industry associations. Member of the inaugural Victorian Ministerial Council on Women's Equality which concluded its term in mid-2020 and the former Women's Roundtable for Local Government and the Victorian Gender Equality Advisory Council. In her capacity as CEO of the VLGA, Kathryn represents the local government sector on several state and federal government committees.
Special responsibilities	Audit & Risk Committee; Commercial Committee; Executive Committee.
Professor Peter Colman AM	Resigned December 2025
Qualifications	MBBS, FRACP, MD.
Experience	Practising Endocrinologist/Diabetologist for over 30 years. Head of the Department of Diabetes and Endocrinology: Royal Melbourne Hospital from 1992 to 2018. Previous positions include President of the Australian Diabetes Society and a Board member of Diabetes Australia Limited.
Special responsibilities	Chair of Clinical Advisory Committee.
Erin Ferraris	Elected 2021
Qualifications	B Comm, MPA.
Experience	Program Manager at Ramsay Health Care. Previously at McKinsey & Company, where she served healthcare clients across Australia, the US, and the UK.
Special responsibilities	Audit & Risk Committee; Commercial Committee.
Anthony Howard AM, KC	Elected 2023
Qualifications	B Juris/LLB, DipCrim.
Experience	Distinguished career in law as a barrister and KC, then as a judge of the County Court (2006-2016), practising principally in the criminal law jurisdiction. In 2019, Mr Howard was appointed a Member of the Order of Australia for significant service to the law, to the judiciary, to professional standards, and to the community of Victoria. Involvement over many years in various community and not-for-profit organisations, including as a Trustee of the Royal Melbourne Hospital Neuroscience Foundation for 10 years (and later as Patron), a member of the Victorian Bar's Indigenous Lawyers' Mentoring Program and a Board member of the youth mentoring organisation Big Brothers, Big Sisters. In October 2024, Mr Howard was appointed as a Director of the Essendon Football Club (having been founding chair of the Lawdons coterie).
Special responsibilities	-
Daniel Richard Jefferson	Elected 2022
Qualifications	BA (Hons) European Studies, Australian Institute of Company Directors.
Experience	Partner at KPMG and a leader of the firm's health and human services consulting practice. Over 23 years' experience in the public sector including senior executive at the Victorian Department of Health, Director of Commissioning for public hospitals and ambulance services, Director of the Health Workforce.

**Diabetes Victoria
Directors' report
As at 30 June 2026**

Special responsibilities Chair, Programs & Services Committee.

Dr Sarah Price

Elected June 2025

Qualifications MBBS d(H1), FRACP, PhD, DipRANZCOG, DCH, Cert Ob. Med.

Experience Endocrinologist and academic with a distinguished career in diabetes and women's health. Current positions include Director of Obstetric Medicine at the Royal Women's Hospital, Endocrinologist at the Royal Melbourne Hospital, leads the Obstetric Medicine Research Group at the University of Melbourne. Served as President of the Australian Diabetes in Pregnancy Society (2018–2020) and continues to contribute to national and international research in diabetes and pregnancy. Current work includes leading projects focused on Type 1 diabetes in pregnancy, metabolic health outcomes, and closed-loop insulin delivery technologies.

Special responsibilities Clinical Advisory Committee.

Victoria Stevenson

Resigned October 2025

Qualifications RN, Grad Dip Health Education, CDE, FACN.

Experience Diabetes Clinical Nurse Consultant at Western Health whose previous experience includes managing diabetes education services at hospitals at The Alfred and Austin Health and working in private practice. Various committee experiences with the ADEA, Conference convenor, Deakin University and Mayfield Education's Diabetes Certification programs. Awards include the ADEA Jan Baldwin Award for holistic and client-focused diabetes education and care and the Diabetes Victoria Outstanding Contribution Award.

Special responsibilities Clinical Advisory Committee; Programs & Services Committee.

Edward Stockdale

Elected 2012

Qualifications B Bus, Fellow CPA, Fellow AICD, Fellow GIA and Fellow CIS.

Experience Chairman: CXi Software; Director: Trinity Bond Pty Ltd and Computershare Registry Services – Australia, UK and South Africa. Various senior management and Board positions in Australia, US, UK and South Africa.

Special responsibilities Audit & Risk Committee; Commercial Committee.

Mr. Lalith Abeysena FCMA (UK), FMIS (UK) held the position of Company Secretary of Diabetes Victoria for the financial year.

Short and Long Term Objectives

Since 1953, Diabetes Victoria has been the leading peak body dedicated to reducing the impact of all types of diabetes on people, families, communities and health systems across Victoria.

- Our Vision is 'A world in which diabetes can do no harm.'
- Our purpose is 'We are dedicated to reducing the impact of all types of diabetes on individuals, families, communities and health systems across Victoria.'

At the heart of our vision are two ambitions which drive our work every day:

1. All people with diabetes of all types will live well and longer.
2. There will be a cure for or prevention of all types of diabetes.

Our work covers all types of diabetes including type 1, type 2 and gestational diabetes, as well as programs for people at risk of diabetes. We are grateful for the generosity of our caring community of members and supporters to help fund our diabetes education, awareness activities and research.

Principal activities and performance

It has been another remarkable year filled with significant achievements, and Diabetes Victoria takes pride in continuing to support Victorians impacted by or at risk of diabetes.

Throughout the financial year, Diabetes Victoria successfully delivered a variety of programs, courses, events, and campaigns under the National Diabetes Services Scheme (NDSS). Over 400,000 Victorians are registered with the NDSS, an Australian Government initiative administered by Diabetes Australia, with Diabetes Victoria serving as the Victorian agent.

**Diabetes Victoria
Directors' report
As at 30 June 2026**

Diabetes Victoria offered comprehensive and topic-specific education programs, basic information sessions, health professional training and upskilling programs, camps, peer support initiatives, and Type 1 Diabetes in Schools programs.

As the manager of the Victoria Department of Health's *Life!* program, our primary focus has been on preventing type 2 diabetes, heart disease, and stroke. Since the program began in 2007, almost 100,000 Victorians have commenced the program. Participants in the *Life!* program have shown significant improvements across key health and behaviour outcomes. Furthermore, we have implemented various initiatives to enhance outreach to priority populations.

In partnership with Deakin University, the Australian Centre for Behavioural Research in Diabetes (ACBRD) continues its vital research to enhance support for individuals living with diabetes. ACBRD hosted the world's first Global Summit in March in Jaipur, India, aimed at ending diabetes stigma and discrimination. The event was highly successful and attracted significant participation from prominent diabetes organisations worldwide.

We continue to uphold our commitment to fostering a circular economy, as reflected in the sustained growth of our Clothing Collection social enterprise business. Our esteemed partnership with Savers Australia, which initially concentrated on Victoria, has now expanded to encompass New South Wales. This extension has further enhanced our ability to make a significant impact. The funds generated through this partnership are directly allocated to innovative diabetes research, programs and services, thereby advancing efforts in prevention, treatment, and care for diabetes.

Diabetes Victoria has established a 10-year collaboration partnership with the University of Melbourne to jointly fund the Australian Centre for Accelerating Diabetes Innovations (ACADI) research centre. This collaboration aims to enhance the application of research in clinical practice. ACADI is a national, virtual centre that brings together over 70 partners, including researchers, advocacy groups, health services, and industry stakeholders. This partnership underscores a shared commitment to improving the lives of those affected by diabetes, which is Australia's fastest-growing chronic condition.

Review of operations

The net result was a surplus of \$439,348 (2025: surplus of \$1,909,817). The strong operating result was due to the continued strong performance of the social enterprise businesses and an unrealised gain of \$1,221,165 (2025: \$1,610,293) on our investment portfolio.

The National Diabetes Services Scheme (NDSS) transaction fee income was \$4,121,941 (2025: \$7,278,719). *Life!* program funding was \$5,649,806 (2025: \$6,376,927). The total bequest income was \$546,364 (2025: \$1,166,334).

The equity markets remain strong during the year, resulting in an unrealised gain of \$1,221,165 in our financial assets (2025: \$1,610,293). As a result, our financial assets increased to \$32,329,561 (2025: \$30,690,534).

The Company's commitment to research encompassing clinical and behavioural change was \$447,699 (2025: \$403,780).

Cash assets, which comprise the Company's Business Money Management account and Business Investment account, decreased to \$1,650,856 (2025: \$3,845,354) mainly due to additional investments in equities.

Changes in state of affairs

During the financial year, there were no significant changes to the Company's state of affairs other than that referred to in the financial statements or notes thereto.

Future developments

The Board of Directors are not aware of any developments in the operations of the Company in future financial years, which are likely to result in a material effect to the Company.

Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, a State, or a Territory.

Corporate Governance

The Board of Directors are responsible for the good governance of Diabetes Victoria. The Board's principal activities have been to:

- adopt and monitor the annual business plan, goals and objectives aligned to the strategic priorities;
- ensure compliance and risk management programs are operating effectively;
- provide overall guidance and support to the senior management.

Board Composition

All Directors of Diabetes Victoria are non-executive Directors. The Board comprises Directors with a range of qualifications and skills, including medical, government relations, finance, business, law and research. Directors act in a voluntary capacity. No Director has received or becomes entitled to receive a benefit because of a contract made by the Company or any related party of the Company with the Director or any related party of the Director.

Board Responsibilities

The Board acts on behalf of and is accountable to the members. The Board makes every endeavour to meet the expectations of members and monitors changes in the external environment, including government policy, legislation, and community expectations.

The Board delegates the responsibility for leadership, management and operation to the Chief Executive Officer. The Chief Executive Officer and Management Team are accountable for the achievement of business plans and operating budgets. The Board, Chief Executive Officer, and Management Team jointly develop the strategic priorities, annual business plan and operating budget.

The Board meets six times yearly and monitors the achievements of programs & services and financial targets against budget.

Board Committees

To maximise its effectiveness and efficiency, the Board has formed a number of sub-committees.

a) Audit & Risk Committee

The primary role of the Audit and Risk Committee is to review the annual financial statements. The Committee also ensures that all statutory financial management and reporting obligations are properly addressed, and a comprehensive risk management program is maintained. This Committee meets once a year, in July or August.

b) Clinical Advisory Committee

The Clinical Advisory Committee promotes close links between Diabetes Victoria, key clinicians and health services that provide services to people with diabetes in Victoria, with the aim of improving outcomes for these people. This Committee meets as required.

c) Commercial Committee

The Commercial Committee oversees the financial performance of Diabetes Victoria, promotes good governance in the organisation and provides appropriate advice on these and related matters. This Committee meets six times a year and will meet as needed if a significant issue arises.

d) Executive Committee

The Executive Committee is a forum in which the Chief Executive Officer and a sub-group of Board Directors can discuss issues of significance in a timely manner. Some of these issues will be resolved at Executive Committee meetings, while others will require further discussion at Board meetings.

e) Programs & Services Committee

The Programs and Services Committee provides governance and strategic advice on the programs and services provided by Diabetes Victoria. The Committee also ensures that Diabetes Victoria's programs and services have clearly specified objectives, functions, target reach and outcomes and are evaluated in a regular, rigorous and measurable manner. This Committee meets bi-monthly from March to November.

**Diabetes Victoria
Directors' report
As at 30 June 2026**

Subsequent events

There has not been any other matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years apart from normal operating contracts associated with the Company's objectives

Indemnification of officers and auditors

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate, indemnified against a liability, including costs and expenses in successfully defending legal proceedings; or 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 except the following matter.

During the financial year, the Department of Health paid premiums to indemnify the Company's Directors (as named below) and officers against third-party legal proceedings arising out of their lawful conduct while acting as Directors or officers. The contract of insurance does not allow for the disclosure of the premium.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party to take responsibility on behalf of the Company for all or any part of those proceedings.

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

Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each financial member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. On 30 June 2026, the number of financial members was 19,566 (2025: 22,286).

Directors' meetings

The following outlines the number of Directors' meetings held during the financial year and the number of meetings attended by each Director while they were a Director. During the financial year, six board meetings were held.

<u>Directors</u>	<u>Held</u>	<u>Attended</u>
Richard Loveridge	6	6
Kathryn Arndt	6	3
Professor Peter Colman AM (resigned in December 2025)	3	2
Erin Ferraris	6	5
Anthony Howard AM, KC	6	4
Daniel Richard Jefferson	6	5
Dr Sarah Price	6	6
Victoria Stevenson (resigned in October 2025)	1	1
Edward Stockdale	6	5

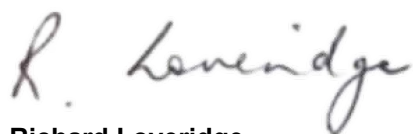
**Diabetes Victoria
Directors' report
As at 30 June 2026**

Auditor's independence declaration

The auditor's independence declaration is included on page 30 of the annual report.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to the Australian Charities and Not-for-profits Commission Act 2012.

On behalf of the Directors



**Richard Loveridge
President
Melbourne, 27 July 2026**



**Edward Stockdale
Director
Melbourne, 27 July 2026**

Independent Auditor's Report

To the Members of Diabetes Victoria

Report on the audit of the financial report

Opinion

We have audited the financial report of Diabetes Victoria (the "Company"), which comprises the statement of financial position as at 30 June 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of Diabetes Victoria has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, 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.

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

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner - Audit & Assurance

Melbourne, 27 July 2026

Diabetes Victoria
Directors' declaration
As at 30 June 2026

In the Directors' opinion:

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a unanimous resolution of the Directors made pursuant to the Australian Charities and Not-for-profits Commission Act 2012.

On behalf of the Directors



Richard Loveridge
President



Edward Stockdale
Director

27 July 2026

Diabetes Victoria
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue and other income	5	17,748,526	21,935,887
Expenses			
Depreciation and amortisation expense	6	(986,002)	(979,005)
Employee benefits expense		(10,150,648)	(12,213,719)
Life! Program course delivery		(3,159,249)	(3,398,789)
Materials		107,610	(50,956)
Projects and programs		(232,785)	(492,404)
Consultancy and recruitment		(5,922)	(53,507)
Events		(448,438)	(356,849)
Occupancy costs		(165,961)	(180,236)
Motor vehicle expenses		(258,529)	(240,126)
Office and other expenditure		(2,892,275)	(3,328,314)
Finance costs		(106,615)	(111,767)
Total Expenses		<u>(18,298,814)</u>	<u>(21,405,672)</u>
Operating surplus/(deficit) before gain/loss on financial assets		(550,288)	530,215
Unrealised gain/(loss) on financial assets held at fair value through profit or loss		1,221,165	1,610,293
Realised gain/(loss) on sale of financial assets		216,170	173,089
Contribution to diabetes research		<u>(447,699)</u>	<u>(403,780)</u>
Surplus for the year attributable to the members of Diabetes Victoria		439,348	1,909,817
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>439,348</u></u>	<u><u>1,909,817</u></u>

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

Diabetes Victoria
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,650,856	3,845,354
Trade and other receivables	10	687,203	308,471
Inventories	11	618,660	339,326
Prepayments		509,188	546,307
Total current assets		<u>3,465,907</u>	<u>5,039,458</u>
Non-current assets			
Trade and other receivables	10	269,513	-
Financial assets	12	32,329,561	30,690,534
Property, plant and equipment	13	997,582	674,897
Right-of-use assets	14	1,320,617	1,250,578
Intangible assets	15	136,086	231,207
Total non-current assets		<u>35,053,359</u>	<u>32,847,216</u>
Total assets		<u>38,519,266</u>	<u>37,886,674</u>
Liabilities			
Current liabilities			
Trade and other payables	16	3,088,986	3,101,292
Lease liabilities	17	444,407	546,125
Employee benefits	18	2,036,940	1,919,618
Total current liabilities		<u>5,570,333</u>	<u>5,567,035</u>
Non-current liabilities			
Lease liabilities	17	967,306	805,414
Employee benefits	18	91,743	63,689
Total non-current liabilities		<u>1,059,049</u>	<u>869,103</u>
Total liabilities		<u>6,629,382</u>	<u>6,436,138</u>
Net assets		<u>31,889,884</u>	<u>31,450,536</u>
Equity			
Development Reserve		6,700,000	6,700,000
Research Contingency Fund		705,788	705,788
Accumulated Funds		<u>24,484,096</u>	<u>24,044,748</u>
Total equity		<u>31,889,884</u>	<u>31,450,536</u>

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

Diabetes Victoria
Statement of changes in equity
For the year ended 30 June 2026

	Development Reserve \$	Research Contingency Fund \$	Accumulated Funds \$	Total equity \$
Balance at 1 July 2024	6,700,000	705,788	22,134,931	29,540,719
Surplus for the year	-	-	1,909,817	1,909,817
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,909,817	1,909,817
Balance at 30 June 2025	<u>6,700,000</u>	<u>705,788</u>	<u>24,044,748</u>	<u>31,450,536</u>

	Development Reserve \$	Research Contingency Fund \$	Accumulated Funds \$	Total equity \$
Balance at 1 July 2025	6,700,000	705,788	24,044,748	31,450,536
Surplus for the year	-	-	439,348	439,348
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	439,348	439,348
Balance at 30 June 2026	<u>6,700,000</u>	<u>705,788</u>	<u>24,484,096</u>	<u>31,889,884</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Diabetes Victoria
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers and funders (inclusive of GST)		18,046,752	21,467,928
Payments to suppliers and employees (inclusive of GST)		(19,269,537)	(21,563,481)
Interest received	5	68,067	265,436
Interest and finance costs paid		<u>(106,615)</u>	<u>(111,767)</u>
Net cash (used in)/from operating activities	25	<u>(1,261,333)</u>	<u>58,116</u>
Cash flows from investing activities			
Payments for financial assets		(3,142,230)	(1,555,668)
Payments for property, plant, equipment	13	(698,170)	(251,354)
Payments for intangibles		-	(91,136)
Proceeds from financial assets		3,430,774	-
Proceeds from disposal of property, plant and equipment		<u>3,049</u>	<u>-</u>
Net cash used in investing activities		<u>(406,577)</u>	<u>(1,898,158)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(526,588)</u>	<u>(536,547)</u>
Net cash used in financing activities		<u>(526,588)</u>	<u>(536,547)</u>
Net decrease in cash and cash equivalents		(2,194,498)	(2,376,589)
Cash and cash equivalents at the beginning of the financial year		<u>3,845,354</u>	<u>6,221,943</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,650,856</u></u>	<u><u>3,845,354</u></u>

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

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 1. General information

Diabetes Victoria is a company limited by guarantee, incorporated and operating in Australia.

Diabetes Victoria's registered office and principal place of business is as follows:

Suite G01,
15-31 Pelham Street,
Carlton, VIC 3053.

Note 2. Change in accounting policies

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of the new and revised standards have not had a material impact on the disclosures or on the amounts reported in these financial statements.

Note 3. Material accounting policy information

The accounting policies that are material to the Company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New and revised standards that are effective for these financial statements

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

At the date of authorisation of the financial statements, there were no Standards and Interpretations that were in issue but not yet effective that would materially affect the Company.

Statement of compliance

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

The financial report of Diabetes Victoria complies with all Australian Accounting Standards (AAS) as applicable to not-for-profit entities. Due to the application of Australian Specific provisions contained only within AAS, this financial report is not necessarily compliant with International Accounting Standards.

The financial statements were authorised for issue by the Directors on 27 July 2026.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Note 3. Material accounting policy information (continued)

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

Revenue recognition

The Company recognises revenue as follows:

One of the two criteria for determining whether AASB 15 or AASB 1058 applies to the recognition of revenue and income of NFP entities is identifying whether a contract has sufficiently specific performance obligations. This is an important and fundamental concept as the specificity of performance obligations (together with enforceability) will determine whether the transaction is accounted for under AASB 1058 (which may result in point in time upfront income recognition) or under AASB 15 (which may require overtime and/or point in time revenue recognition depending on the contract terms of the arrangement). Judgement is required to assess whether a promise is sufficiently specific. Such judgement takes into account any conditions specified in the arrangement, whether explicit or implicit, regarding the promised goods or services.

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

Rendering of services

Revenue from a contract to provide services is recognised when or as the performance obligation is satisfied.

Government grants

Government grants are assistance by the government in the form of transfers of resources to the company in return for past or future compliance with certain conditions relating to the operating activities of the company.

Government grants with sufficiently specific and enforceable performance obligations - If the government grant terms contain sufficiently specific performance obligations and contain enforceable criteria, the grant revenue is recognised upon satisfying those performance obligations.

Government grants without sufficiently specific and enforceable performance obligations - If the government grant terms are not sufficiently specific, or the terms do not contain enforceable criteria, the grant *income* is recognised at the time the grant becomes receivable.

Where specifically designated grant revenue and the designated expenditure for such grants during the year has not occurred or is incomplete and there is likely to be an obligation to repay, the resulting amount is carried forward and will be brought to account in future years as the funds are expended.

Note 3. Material accounting policy information (continued)

Member subscription income

Total membership income is recognised when subscription funds are received.

Donations and bequests

Donations and bequests that contain sufficiently specific performance obligations and enforceable conditions are recognised upon satisfying those performance obligations.

Donations and bequests that are not sufficiently specific and do not contain enforceable conditions are recognised when the funds are received.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Collection business

Revenue from the collection business is recognised once control of the products pass to the customer, upon delivery to the customer.

Investment income

Income from investments is recognised when funds are received.

Income tax

As the Company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories are acquired through collections of donated goods at a cost significantly less than fair value. The measured cost is the estimated current replacement cost determined at an aggregate level which is lower than the fair value.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 3. Material accounting policy information (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss.

Impairment of financial assets

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

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

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

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<i>Class of assets</i>	<i>Useful life</i>
Leasehold improvements	4-5 years
Furniture and equipment	3-5 years
Motor vehicles	4-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 3. Material accounting policy information (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its tangible 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss.

In respect of not-for-profit entities, where the future economic benefits of an asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciable replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

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

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

Note 3. Material accounting policy information (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Portable long service leave scheme

From 1 July 2019 the Company commenced making contributions for certain eligible employees to Victoria's portable long service leave scheme, pursuant to the Long Service Benefits Portability Act 2018. A levy of 1.65% of eligible salaries is paid to the Portable Long Service Leave Authority. Any amounts payable to eligible employees in relation to long service leave post 1 July 2019 will be funded by the Authority as and when they arise. However, the existence of the scheme does not discharge the Company's obligation to pay long service leave to employees in the event that the Authority cannot meet its obligations. At balance date the Directors have no reason to believe that the Authority will not meet its obligations under the agreements with the Company as employer. The gross receivable from the Authority and provision for long service leave payable to eligible employees have been recognised in these financial statements.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Comparative amounts

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

Note 4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 3, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties. Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Note 5. Revenue and other income

	2026	2025
	\$	\$
Revenue from contracts with customers under AASB 15		
Revenue from the sale of goods	2,911,513	2,839,618
Revenue from services rendered	4,121,941	7,278,719
State government grants received	5,649,806	6,376,927
Member subscription income	735,201	847,059
	<u>13,418,461</u>	<u>17,342,323</u>
Income recognised under AASB 1058 (Income of Not-for-Profit Entities)		
Bequests	546,364	1,166,334
Donations and corporate partnerships	826,103	748,006
	<u>1,372,467</u>	<u>1,914,340</u>
Other income		
Interest income	68,067	265,436
Investment income	1,755,936	1,513,652
Program and other income	1,133,595	900,136
	<u>2,957,598</u>	<u>2,679,224</u>
Total revenue and other income	<u><u>17,748,526</u></u>	<u><u>21,935,887</u></u>

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 5. Revenue and other income (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2026	2025
	\$	\$
<i>Timing of revenue recognition</i>		
Revenue earned at a point in time	3,646,714	3,686,677
Revenue earned over time	9,771,747	13,655,646
	<u>13,418,461</u>	<u>17,342,323</u>

Note 6. Surplus for the year

	2026	2025
	\$	\$
Surplus for the year has been arrived at after charging the following items of income and expense:		
Gain on disposal of property, plant and equipment	(1,722)	-
Write off of property, plant and equipment	-	21,593
Operating lease expense	91,415	126,192
Superannuation	1,055,690	1,325,259
<i>Depreciation and amortisation expense</i>		
Property, plant and equipment	374,158	251,744
Right-of-use assets	516,723	611,517
Intangibles	95,121	115,744
Total depreciation and amortisation expense	<u>986,002</u>	<u>979,005</u>

Note 7. Key management personnel remuneration

	2026	2025
	\$	\$
The aggregate compensation of the key management personnel is set out below:		
Short-term employee benefits	1,031,909	954,747
Post-employment benefits	192,796	168,723
	<u>1,224,705</u>	<u>1,123,470</u>

Note 8. Remuneration of auditors

	2026	2025
	\$	\$
Audit of the financial report	58,000	55,000
Audit of programs and other services	4,500	7,800
Total remuneration of auditors	<u>62,500</u>	<u>62,800</u>

The auditor of Diabetes Victoria is Grant Thornton Audit Pty Ltd.

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 8. Remuneration of auditors (continued)

	2026 \$	2025 \$
Assistance with the compilation of the financial statements from Grant Thornton Australia Limited	<u>6,500</u>	<u>5,500</u>

Note 9. Cash and cash equivalents

	2026 \$	2025 \$
<i>Current assets</i>		
Cash at bank	<u>1,650,856</u>	<u>3,845,354</u>

The Company has provided a bank guarantee in connection to the commercial lease of the premises at Pelham Street. The guarantee amounts to \$148,845 (2025: \$148,845).

Note 10. Trade and other receivables

	2026 \$	2025 \$
<i>Current assets</i>		
Trade receivables	349,544	243,902
Other receivables	<u>337,659</u>	<u>64,569</u>
	<u>687,203</u>	<u>308,471</u>
<i>Non-current assets</i>		
PLSA receivable	<u>269,513</u>	<u>-</u>
	<u>956,716</u>	<u>308,471</u>
	2026 \$	2025 \$
<i>Trade receivables past due:</i>		
30 - 90 days	35,272	33,249
90+ days	<u>62,992</u>	<u>18,864</u>
	<u>98,264</u>	<u>52,113</u>

The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables as the majority of income consists of grant income. Included in the Company's trade receivables balance are debtors with a carrying amount of \$98,264 (2025: \$52,113) which are past due at reporting date. Apart from this there has not been a significant change in credit quality of the debtors and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. The Directors have made a provision for expected credit losses from trade receivables of \$nil (2025: \$nil).

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 11. Inventories

	2026 \$	2025 \$
<i>Current assets</i>		
Finished goods	<u>618,660</u>	<u>339,326</u>

Note 12. Financial assets

	2026 \$	2025 \$
<i>Non-current assets</i>		
Equity investments - at fair value through profit or loss	<u>32,329,561</u>	<u>30,690,534</u>

Note 13. Property, plant and equipment

	2026 \$	2025 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	299,755	755,462
Less: Accumulated depreciation	<u>(60,356)</u>	<u>(385,989)</u>
	239,399	369,473
 Furniture and equipment - at cost	 718,690	 623,819
Less: Accumulated depreciation	<u>(566,176)</u>	<u>(498,711)</u>
	152,514	125,108
 Motor vehicles - at cost	 892,184	 309,594
Less: Accumulated depreciation	<u>(286,515)</u>	<u>(129,278)</u>
	605,669	180,316
	<u>997,582</u>	<u>674,897</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements \$	Furniture and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2025	369,473	125,108	180,316	674,897
Additions	6,182	103,398	588,590	698,170
Disposals	-	(1,327)	-	(1,327)
Depreciation expense	<u>(136,256)</u>	<u>(74,665)</u>	<u>(163,237)</u>	<u>(374,158)</u>
Balance at 30 June 2026	<u>239,399</u>	<u>152,514</u>	<u>605,669</u>	<u>997,582</u>

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 14. Right-of-use assets

	2026	2025
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	2,013,705	2,197,022
Less: Accumulated depreciation	<u>(693,088)</u>	<u>(970,320)</u>
	<u>1,320,617</u>	<u>1,226,702</u>
Motor vehicles - right-of-use	-	573,020
Less: Accumulated depreciation	<u>-</u>	<u>(549,144)</u>
	<u>-</u>	<u>23,876</u>
	<u><u>1,320,617</u></u>	<u><u>1,250,578</u></u>

The Company leases land and buildings for its offices and warehouses, under agreements of between 3 to 4 years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated. The Company also leases motor vehicles under agreements of between 2 to 4 years.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings	Motor vehicles	Total
	\$	\$	\$
Balance at 1 July 2025	1,226,702	23,876	1,250,578
Additions	889,783	-	889,783
Disposals	(303,021)	-	(303,021)
Depreciation expense	<u>(492,847)</u>	<u>(23,876)</u>	<u>(516,723)</u>
Balance at 30 June 2026	<u><u>1,320,617</u></u>	<u><u>-</u></u>	<u><u>1,320,617</u></u>

Note 15. Intangible assets

	2026	2025
	\$	\$
<i>Non-current assets</i>		
Development - at cost	2,120,518	2,120,518
Less: Accumulated amortisation	<u>(1,984,432)</u>	<u>(1,889,311)</u>
	<u><u>136,086</u></u>	<u><u>231,207</u></u>

The intangible assets primarily relate to software and software development costs.

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Development
	\$
Balance at 1 July 2025	231,207
Amortisation expense	<u>(95,121)</u>
Balance at 30 June 2026	<u><u>136,086</u></u>

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 16. Trade and other payables

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	171,393	371,760
Other payables	2,917,593	2,729,532
	<u>3,088,986</u>	<u>3,101,292</u>

Note 17. Lease liabilities

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Lease liability - buildings	444,407	519,408
Lease liability - vehicles	-	26,717
	<u>444,407</u>	<u>546,125</u>
<i>Non-current liabilities</i>		
Lease liability - buildings	967,306	805,414
Total lease liabilities	<u>1,411,713</u>	<u>1,351,539</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	527,117	594,016
One to five years	1,047,393	868,056
	<u>1,574,510</u>	<u>1,462,072</u>

Note 18. Employee benefits

	2026	2025
	\$	\$
<i>Current liabilities</i>		
Annual leave	957,482	836,350
Long service leave	715,654	699,924
Other employee entitlements	363,804	383,344
	<u>2,036,940</u>	<u>1,919,618</u>
<i>Non-current liabilities</i>		
Long service leave	91,743	63,689
	<u>2,128,683</u>	<u>1,983,307</u>

Note 19. Members guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each financial member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2026, the number of financial members was 19,566 (2025: 22,286).

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 20. Economic dependency

A significant volume of the Company's operations are performed for the Commonwealth Government via the National Diabetes Services Scheme (NDSS), with the Victorian Department of Health for the Life! program, and with Savers Limited regarding the collection business.

Approximately 71% (2025: 76%) of the Company's revenue is derived from these sources.

Note 21. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2026 (2025: nil).

Note 22. Commitments

There are no capital commitments as at 30 June 2026 (2025: nil).

Note 23. Related party disclosures

Key management personnel

Disclosures relating to key management personnel are set out in note 7.

Transactions with related parties

There were no transactions with related parties during the current or previous financial year.

Receivable from and payable to related parties

There were no balances receivable from or payable to related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 25. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled as follows:

	2026	2025
	\$	\$
Cash and cash equivalents	<u>1,650,856</u>	<u>3,845,354</u>
(b) Reconciliation of surplus to net cash (used in)/from operating activities		
Surplus for the period	439,348	1,909,817
Profit on sale or disposal of property, plant and equipment	(1,722)	-
Profit on sale or disposal of financial assets	(216,170)	(173,089)
Depreciation and amortisation of non-current assets	986,002	979,005
Write off of property, plant and equipment	-	21,593
Dividends reinvested	(490,236)	(434,406)
Unrealised gain on financial assets	<u>(1,221,165)</u>	<u>(1,610,293)</u>
	<u>(503,943)</u>	<u>692,627</u>
Decrease/(increase) in assets:		
Trade and other receivables	(648,245)	216,493
Inventories	(279,334)	(93,682)
Prepayments	<u>37,119</u>	<u>(24,134)</u>
	<u>(890,460)</u>	<u>98,677</u>

Diabetes Victoria
Notes to the financial statements
As at 30 June 2026

Note 25. Notes to the statement of cash flows (continued)

Increase/(decrease) in liabilities:

Trade and other payables	(12,306)	(220,207)
Employee benefits	145,376	(512,981)
Net cash (used in)/from operating activities	<u>(1,261,333)</u>	<u>58,116</u>

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Board Members of Diabetes Victoria

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Diabetes Victoria for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner - Audit & Assurance
Melbourne, 27 July 2026

grantthornton.com.au

ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.