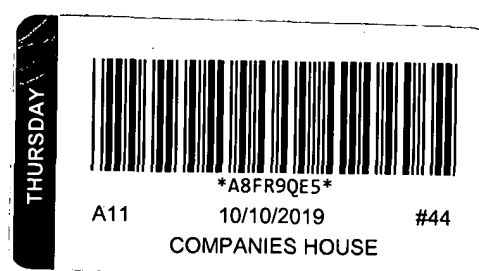


**DIABETES RESEARCH INSTITUTE FOUNDATION (UK)
LIMITED**

Financial Statements

Year Ended 31 DECEMBER 2018

Charity registration number: 1110229
Company registration number: 05457292



DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Financial Statements

Year Ended 31 December 2018

Contents

	Page
Charity Reference and Administrative Details	1
Trustees' Annual Report Including Directors' Report	2-4
Independent Auditor's Report	5-6
Statement of Financial Activities (Including Income and Expenditure Account)	7
Balance Sheet	8
Notes to the Financial Statements	9-14

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Charity Reference and Administrative Details

Year Ended 31 December 2018

Charity registration number	1110229
Company registration number	05457292
Trustees	J Rednik H G Doran
Principal Address and Registered office	c/o PKF Littlejohn 15 Westferry Circus Canary Wharf London E14 4HD
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Bankers	Bank of Scotland 33 Old Broad Street London EC2N 1HW

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Trustees' Annual Report Including Directors Report

Year Ended 31 December 2018

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP").

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

H G Doran
J Rednik

Objectives and activities

Fundraising activities

During the year Diabetes Research Institute Foundation (UK) Limited received funds from legacies and donations through monthly direct debits. The Charity did not employ any person or third-party company to act on behalf of the Charity for the purpose of fund raising. The charity did not receive any complaints during the year.

Objectives and Public benefit statement

The objective of the Charity is the advancement of education and the promotion of research relating to the causes and the cures of diabetes and the relief of symptoms and related ailments suffered by diabetics.

The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Activities during the Year

The major activity during the year has been the raising of funds in support of Diabetes Research Institute Foundation, Inc. and those whose work is supporting Type 1 Diabetes Research at the University of Miami.

Financial review (including reserves policy)

The results for the period are shown in the Statement of Financial Activities on page 7. A deficit of £96,345 (2017 – deficit of £3,854) was made in the year.

The Trustees confirm that they have identified and reviewed the major risk to which the charity is exposed and have established systems to mitigate those risks, such as regular meetings of the Board of Trustees and the use of professional advisors where necessary.

The level of free reserves (that is, those funds not tied up in designated and restricted funds) that the Charity holds at 31 December 2018 is (£5,808) (2017 - £90,527).

Although the funds are in deficit this year, there are no material uncertainties about the entity's ability to continue. The Trustee's along with the Parent Company will continue to offer their support financially until the orderly closure of the Charity.

Post balance sheet events

There were no post balance sheet events.

Plans for future periods

During the year, the Board of Trustees decided to close the Charity during 2019.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Trustees' Annual Report Including Directors Report

Year Ended 31 December 2018

Structure, governance and management

The Charity is registered with the Charity Commission and is also a company limited by shares.

The Memorandum and Articles of Association of the Company constitute the governing document.

The governing body of the Charity is the Board of Trustees.

The Trustees are responsible for setting strategies and policies for the charity and for ensuring that these are implemented.

During the period of these financial statements there was no Chief Executive and the day to day management of the Charity was carried out by the Trustees.

The Trustees are appointed by the parent entity, per the Governing Document.

Trustees' responsibilities

The trustees (who are also directors of Diabetes Research Institute Foundation (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2016 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Trustees' Annual Report Including Directors' Report

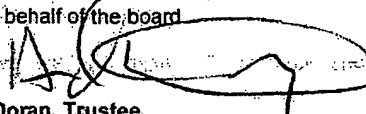
Year Ended 31 December 2018

(continued)

The auditor PKF Littlejohn LLP, has indicated its willingness to continue in office as auditor. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

In preparing this report, advantage has been taken of the small companies' exemption under the Companies Act 2006.

On behalf of the board


H Doran, Trustee

Date: 30 September 2019

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Independent Auditor's Report

Year Ended 31 December 2018

Opinion

We have audited the financial statements of Diabetes Research Institute Foundation (UK) Limited (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Independent Auditor's Report

Year Ended 31 December 2018

- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP

Timothy Herbert (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

Date: *4th October 2019*

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Statement of Financial Activities Including Income and Expenditure Account

Year Ended 31 December 2018

		2018	Unrestricted funds	2017
	Note	Total £	£	Total £
Income and endowments from:				
Donations and legacies	2	107	107	5,576
Total income and endowments				5,576
Expenditure on:				
Charitable activities	3	96,452	96,452	9,430
Total expenditure		96,452	96,452	9,430
Net (expenditure)/income		(96,345)	(96,345)	(3,854)
Net movement in funds		(96,345)	(96,345)	(3,854)
Reconciliation of funds:				
Total funds brought forward	10	90,527	90,527	94,381
Total funds carried forward	10	(5,818)	(5,818)	90,527

All income and expenditure derive from continuing activities.

The Charity has no recognised gains or losses other than as stated above.

The notes on pages 9 to 14 form part of these financial statements.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Balance Sheet

Year Ended 31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors	8	10	92,507
Cash at bank and in hand		5,338	6,486
		<u>5,348</u>	<u>98,993</u>
Creditors: amounts falling due within one year	9	(11,156)	(8,456)
Net current assets		<u>(5,808)</u>	<u>90,537</u>
Net assets		<u>(5,808)</u>	<u>90,537</u>
Charity Funds			
Called up share capital	12	10	10
Unrestricted funds	10	(5,818)	90,527
Total charity funds	10	<u>(5,808)</u>	<u>90,537</u>

The financial statements were approved and authorised for issue by the Board on 30 September 2019

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the 'small companies' regime within part 15 of the Companies Act 2006.

Signed on behalf of the board of trustees



H Doran, Trustee

Date: 30 September 2019

The notes on pages Page 9 to Page 14 form part of these financial statements.

Company registration number: 05457292

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

1 Summary of significant accounting policies

(a) General information and basis of preparation

Diabetes Research Institute Foundation (UK) Limited is a charitable company limited by shares in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is for the advancement of education and the promotion of research relating to the causes and the cures of diabetes and the relief of symptoms and related ailments suffered by diabetics.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Prior to 31 December 2018, the Board of Trustees made the decision to close the Charity during 2019. Therefore, the Charity is no longer considered a going concern and the financial statements have been prepared under the break-up basis.

The Trustees have obtained assurances from the Charity's immediate and ultimate parent entity that it will provide continued support up until the date of closure and as such the winding down and closure of the Charity will be an orderly one. The date of closure has not yet been confirmed.

The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

(c) Income recognition (continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail of the contribution of volunteers to the charity is given in the Trustees' Annual Report.

Legacy income is recognised when the charity becomes aware that probate has been granted, there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are either in control of the charity or have already been met. On occasion legacies will be notified where it is not possible to measure the amount expected to be distributed with sufficient reliability. On these occasions, the legacy is treated as a contingent asset and disclosed.

(d) Expenditure recognition

All expenditure is accounted for on an accrual's basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following heading:

- Expenditure on charitable activities, which comprises direct expenditure attributable to the activities. Where costs cannot be directly attributed (support costs), they have been allocated to the activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 3.

(f) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the relevant expenditure heading in the SoFA.

(h) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

(i) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

2 Income from donations and legacies

	2018 £	2017 £
Legacies	-	5,450
Donations	107	126
	<u>107</u>	<u>5,576</u>

Income from donations and legacies was £107 (2017 - £5,576) of which £107 (2017 - £5,576) was attributable to unrestricted funds.

3 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total £
Governance costs (see note 4)	-	-	7,486	7,486
Charitable expenditure (Dividend to Parent)	88,966	-	-	88,966
	<u>88,966</u>	<u>-</u>	<u>7,486</u>	<u>96,452</u>

£96,452 (2017 - £9,430) of the above costs were attributable to unrestricted funds.

4 Governance costs

	2018 £	2017 £
Auditor's remuneration (note 6)	5,400	5,100
Professional fees	2,298	3,805
Bank Charges	80	80
Net gains/(losses) on foreign exchange	(292)	445
	<u>7,486</u>	<u>9,430</u>

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

5 Net expenditure for the year

Net expenditure is stated after crediting:

	2018 £	2017 £
Net gains/(losses) on foreign exchange	292	(445)
	<hr/>	<hr/>

6 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £5,400 (2017 - £5,100).

7 Trustees and Employees

There were no employees during the year.

The Trustees did not receive any remuneration for their services as Trustees during the year.

8 Debtors

	2018 £	2017 £
Prepayments and accrued income	-	87,500
Amounts owed from group undertakings	-	4,997
Unpaid share capital	10	10
	<hr/>	<hr/>
	10	92,507
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	11,156	8,456
	<hr/>	<hr/>
	11,156	8,456
	<hr/>	<hr/>

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

10 Fund reconciliation

Unrestricted funds

	Balance at 1 January 2018	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 December 2018 £
	£	£	£	£	£	£
Unrestricted	90,527	107	(96,452)	-	-	(5,818)
	90,527	107	(96,452)	-	-	(5,818)

	Balance at 1 January 2017	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 December 2017 £
	£	£	£	£	£	£
Unrestricted	94,381	5,576	(9,430)	-	-	90,527
	94,381	5,576	(9,430)	-	-	90,527

Restricted funds

	Balance at 1 January 2018	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31 December 2018 £
	£	£	£	£	£	£
Share Capital	10	-	-	-	-	10
	10	-	-	-	-	10

Fund descriptions

a) Unrestricted funds

For use in charitable activities. There are no designated funds.

b) Restricted funds

Includes allocated, called up share capital.

DIABETES RESEARCH INSTITUTE FOUNDATION (UK) LIMITED

Notes to the Financial Statements

Year Ended 31 December 2018

11 Analysis of net assets between funds

31 December 2018

	Unrestricted funds £	Restricted funds £	Total £
Cash	5,338	-	5,338
Other current assets / liabilities	(11,156)	10	(11,146)
Total	(5,818)	10	(5,808)

31 December 2017

	Unrestricted funds £	Restricted funds £	Total £
Cash	6,486	-	6,486
Other current assets / liabilities	84,041	10	84,051
Total	90,537	10	90,537

12 Share Capital

	2018 £	2017 £
Allotted and called up 10 ordinary shares of £1 each	<u>10</u>	<u>10</u>

13 Related party transactions

The Charity is controlled and governed by the Trustees. The Charity's immediate and ultimate parent entity is Diabetes Research Institute Foundation, Inc., (registered no. 59-1361955), a not for profit organisation, registered in the United States of America. Consolidated financial statements are publicly available from the website. Control is achieved by the parent company by their right to vote to appoint or remove Trustees from the Charity's board, per the Governing Document. The parent's principal purposes and activities are the support of research in the field of diabetes. The beneficiary of the parent's research support is the Diabetes Research Institute at the University of Miami Miller School of Medicine.

As at 31 December 2018, the Charitable Company owed to its parent, Diabetes Research Institute Foundation Inc., £2,908 (2017 owed from its parent – £4,997). No interest is charged.

Charitable expenditure includes dividends of £88,966 (2017 - £Nil) which have been paid to the parent charity to be expended on appropriate charitable expenditure.