

**Diabetes Research and Wellness Foundation**  
(A Company Limited by Guarantee)

**Charity Number: 1070607**  
**Company Number: 03496304**

**Financial Statements**  
**For the year ended**  
**31 December 2018**



# Diabetes Research and Wellness Foundation

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# Diabetes Research & Wellness Foundation

Diabetes Research and Wellness Foundation (DRWF)  
(A Company Limited by Guarantee)

## REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2018

Registered Charity Number: 1070607

Company Number: 03496304





## **Report of the trustees for the year ended 31<sup>st</sup> December 2018**

The trustees are pleased to present their report together with audited financial statements for the year ended 31<sup>st</sup> December 2018.

The financial statements comply with the Charities Act 2011; the Companies Act 2006; the Memorandum and Articles of Association and are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Charities SORP) (effective from 1<sup>st</sup> January 2015).

### **Message from the Chairman**

In 2018, we celebrated our 20<sup>th</sup> Anniversary – two decades of commitment to researching the cure for diabetes, to raising public awareness to its devastating consequences and impact on our communities, both in the UK and globally.

During this time, we have seen an explosion in the number of people diagnosed with diabetes. In fact, numbers have more than doubled in the last 20 years with around 90% of this being associated with type 2 diabetes. There are now almost 4 million people diagnosed with diabetes in the UK and it's thought that around another half a million adults have type 2, but don't know it.

It is shocking that our NHS spends around £10 billion each year on treatment and care of diabetes. That's £1 million an hour, every day, throughout the year. And much of this cost is spent on treating complications that can often be avoided.

We recognise that there is no room for complacency. As awareness to DRWF and the support it offers has grown, more people are coming to the charity for information and support than ever before. It is clear to us, that our work is more important than ever!

In 20 years, we have raised almost £71 million in the UK with an average spend over this period of around 82% on awareness, information & educational support programmes, and vital medical research funding.

There have been some significant and exciting changes in health technology, treatment development and research advances. One of our biggest achievements has been the support that we have given through our funding of islet cell research and transplant. In 2004 we made a significant commitment to the Nuffield Department of Surgery and Oxford University – an unprecedented award of £1.2 million, to provide the DRWF Islet Isolation Facility at the Churchill Hospital. In 2008 the NHS started funding the clinical element of islet transplantation, providing an alternative treatment option for a selection of people with type 1 diabetes – a huge breakthrough in translating research into clinical practice. The DRWF facility plays a pivotal role in this programme by providing insulin-producing islet cells for transplant across the UK. This facility, and the Oxford team, is recognised as a leading centre in islet cell research and transplant, and we continue to provide contract funding for 3 personnel to this day.

One of our greatest strengths is the knowledge, experience and understanding that we have gained over the past 20 years, through the relationships that we have built with people living with diabetes. We have worked hard to ensure that everything we do is with those people and their needs in mind.

This was demonstrated by our winning of a Quality in Care award for our Diabetes Wellness Event programme in 2017; shortlisted as Charity of the Year at the Asian Voice/Charity



Clarity Awards in 2018 and being named as the Diabetes Professional Care Charity of the Year partner in 2018.

We are still a small group of dedicated trustees, staff and volunteers in the UK but considered a medium sized charity in terms of income, resource and impact.

Whilst independent, we collaborate with other groups where there is a synergy and mutual benefit. We have helped to facilitate a growing network of DRWF groups through the US, UK, France, Sweden, Finland and Norway and whilst all groups are autonomous, we share a mission and vision, enabling us to work in partnership to deliver funding for multi-year high value international research programmes.

It is important to us that we are responsive and flexible in approach to ensure that we meet the needs of all beneficiaries and stakeholders and none of this would be possible without the on-going commitment of all who contribute so willingly, to our work. We are both proud and humbled to work with some amazing people, to whom I would personally like to say a huge Thank You.

This report shares our achievements and performance in our 20<sup>th</sup> Anniversary Year; identifies some challenges that will present themselves and sets out how we will go about meeting those, whilst ensuring that people with diabetes are *'Staying well until a cure is found...'*



**Michael Gretschel**  
Co-Founder & Chairman

# 20 years of DRWF - a timeline

We look back at key moments in the two decade history of DRWF.

1998 -

**1998**  
■ DRWF is incorporated as a registered charity and company limited by guarantee - our objective 'to raise awareness and assist people living with diabetes and similar or related conditions, their incidence, cause, treatment, avoidance and relief.'  
■ Dr Noshin Elson (above), then Managing Editor of *Practical Diabetes International*, was recruited as Executive Director of DRWF.



**2000**  
■ The charity awards its first 3-year Non-Clinical Research Fellowship to Dr Luke Chamberlain (Glasgow) for £106,456.

**2003**  
■ DRWF becomes a member of the Association of Medical Research Charities (AMRC) establishing robust peer review processes for applications for its annual research funding awards.  
■ The first Active with Diabetes Walking Holiday is held at Haslemere in the Lake District. A support team of diabetes specialist nurses and a podiatrist advise on how to make walking part of a daily exercise programme whilst managing diabetes medications and blood glucose levels accordingly.  
■ A new range of diabetes information leaflets are introduced to the charity's repertoire of support literature.



**1999**  
■ Debra Peetz and Sarah Tutton are recruited to get various activities underway for the charity.  
■ The charity commences its initial fundraising programme raising its first £1 million by November 1999.  
■ The first small research awards are made, 8 in total, to various institutions in the UK totalling £84,610.  
■ DRWF launches the Diabetes Wellness News, a subscriber-based monthly newsletter containing specially commissioned self-management articles, news and research updates.



**2001**  
■ The charity awards its first 3-year Clinical Research Fellowship to Dr Karen Anthony (Kings College London) for £120,000.  
■ As part of a new outreach programme, DRWF holds a Diabetes Wellness Retreat providing expert diabetes healthcare workshops, as well as a social programme, for people with all types of diabetes, in Chichester, West Sussex.

**2002**  
■ The charity sets up a multi-disciplinary Research Advisory Board (RAB) and launches an annual research funding programme of 3-year Fellowships and 1-year Research Grant awards. The RAB is chaired by Professor David Matthews, Oxford, whose research focuses on type 2 diabetes. Professor Matthews was also deputy co-ordinator of the Executive and Policy Advisory Committee for the UK Prospective Study of Diabetes (UKPDS) and founder member of the Oxford Health Alliance.

**2004**  
■ DRWF make an unprecedented award of £1.4 million to the Nuffield Department of Surgery to establish a Human Islet Isolation Facility at the Churchill Hospital, Oxford.



**2005**  
■ DRWF makes a grant for the set-up of a sister group in France, the Association pour le recherche sur la diabète (A-rd) in order to grow the International Diabetes Wellness Network.  
■ With a commitment to islet cell research and transplant, the charity makes a multi-year grant in collaboration with groups in the US and France in support of the Spring Point Project (Wisconsin) which seeks to find an alternative, sustainable supply of islets suitable for human transplant.

**2006**  
■ The DRWF Human Islet Isolation Facility is launched in Oxford (above) which marks a long-standing commitment to islet cell research and transplant for the charity.

**2007**  
■ DRWF supports the International Pancreas and Islet Transplant Association (IPTA) meeting in Minneapolis demonstrating its desire to support international knowledge sharing in this emerging field of diabetes research.

2008

■ The NHS make clinical funding available for Islet Cell Transplants for a selection of people with type 1 diabetes, meaning that the DRWF Islet Isolation Facility in Oxford becomes the key provider of islets for this national treatment programme.  
■ The first Diabetes Wellness Day South is held - a change to the ad-hoc Diabetes Wellness Workshops that the charity had previously held, with an established home in Southampton, serving the south coast.  
■ DRWF provides an Institutional grant of £81,000 for the completion of the Stephanie Marks Diabetes Resource Centre at St Peter's Hospital, Chertsey (pictured right).  
■ The charity makes a grant for the set-up of a sister group in Sweden, the Diabetes Wellness Network Sverige (DWNS) in order to grow the International Diabetes Wellness Network.



**2010**  
■ DRWF gains the Department of Health Information Standard accreditation for its adult health and social care information. This is a kite mark which demonstrates that patient information goes through a peer review process, is appropriately written for its intended audience, clinically evidenced/referenced and up-to-date.  
■ As part of the Diabetes Wellness Event programme, the first Wellness Day North is held in Harrogate, serving the diabetes community in the north-east.

**2011**  
■ DRWF is a finalist in the Medical Journalists Association, Health Charity of the Year, awards (pictured right)

**Celebrating 20 Years 1998-2018**



**2013**  
■ The charity launches a new website focused on providing access to information resources, news and research updates with a 'community' feel.  
■ DRWF plays an integral part in the set-up of a Research Advisory Board for its sister group in Sweden. This is to ensure a consistency of research funding and to enable robust peer review processes to be adopted across Sweden and a newly established group in Finland.

**2014**  
■ DRWF is shortlisted in the Best Use of Web category at the Charity Times Awards.

**2015**  
■ DRWF attends the European Association for the Study of Diabetes annual conference in Stockholm with colleagues from Diabetes Wellness Network Sverige, to meet with DRWF-funded researchers from around the world.

**2017**  
■ DRWF is shortlisted in the Empowering people with diabetes in self-management category of the Quality in Care Diabetes (QIC) awards going on to gain a highly commended award. The charity also goes on to win the Judges' Special Award, from all entries received across all categories, for providing an outstanding educational event programme for people with diabetes (pictured right).  
■ At the end of the financial year for 2017, the charity has committed more than £11.5 million to diabetes research alone in 19 years; 93p in every £1 spent on charitable activities. The charity now has 12 staff and around 24 volunteers.

**2018**  
■ DRWF is shortlisted in the Charity of the Year category at the Asian Voice Charity Awards.



- 2018

DRWF was formed in 1998 to raise awareness and assist people living with diabetes

Since 1998 DRWF has committed more than £11.5 million to diabetes research

## Our purpose, aims and activities

The objects of the charity are:

- To assist in the relief of persons with diabetes and any similar or related diseases or conditions
- To raise public awareness about diabetes and any similar or related diseases or conditions, their incidence, causes, treatment, avoidance and relief

### The focus of our work

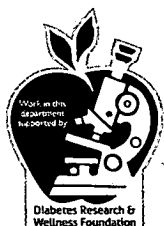
Diabetes is a chronic, progressive condition that can have a debilitating impact on almost all aspects of life. There are reportedly more than 3.8 million people diagnosed with diabetes in the UK with an estimated further 500,000 adults who have type 2 diabetes, but don't know it. Diabetes is associated with an increased risk of cardiovascular disease, blindness, kidney disease and limb amputation. It is also considered to be one of the leading causes of blindness in the working age in the UK. It is reported that around 10 per cent of NHS annual expenditure is spent on diabetes and related complications, approximately £10 billion and it is estimated that around 80% of this cost is attributed to treating associated complications, many of which could be avoided. Studies have shown that good self-management skills can substantially reduce the risk of the complications associated with diabetes – improving quality of life for those with the condition and ultimately reducing the burden on healthcare providers.

In line with the growing need for improved understanding of diabetes and its risks, symptoms and self-management, the charity aims to:



**Raise Awareness** – increase the profile of both Type 1 and Type 2 diabetes, their differences and effects; encourage those who may be considered 'at risk' to take action to prevent or delay onset (Type 2); encourage those who may be at risk and displaying symptoms to seek advice/appropriate screening from their healthcare professional; carry identification to ensure healthcare professionals are alerted to the person's medical condition in an emergency.

**Inform & Support** – to provide quality and relevant information and support to people with diabetes; provide resources to support healthcare professionals with their delivery of care; support carers, family and friends; provide opportunities for people with diabetes to attend educational events where they can directly engage with diabetes and related healthcare professionals in order to improve understanding and learn effective approaches to self-care; to seek and secure charitable donations of diabetes and related health medicines/items which are distributed to appropriate beneficiaries in need of such items, in countries where these items may not otherwise be accessible.



**Fund Research** – to support vital diabetes research projects with a view to discovering the causes, new and improved treatments and effective management strategies, whilst working towards our ultimate goal of finding a cure.

## **Our strategy to achieve objectives in 2018**

- Carried out a national direct mail programme focusing on awareness of Type 1 and Type 2 diabetes and key aspects of self-management and related health issues
- Distributed FREE diabetes awareness necklaces, diabetes awareness/medical check-up cards in order to raise awareness to diabetes and related complications; supported a proactive self-care approach and encouraged those who may be at risk of Type 2 diabetes to take preventative action, where possible
- Distributed DRWF patient information leaflets via diabetes and related healthcare professionals working in primary, secondary and community care environments
- Maintained NHS England Information Standard accreditation to demonstrate commitment to producing high quality health and social care information
- Engaged in user involvement activities in the development of patient information and educational event programmes to ensure quality, relevance, accessibility and usefulness
- Carried out internal and independent qualitative and quantitative evaluation of support activities to ensure they are fit for purpose and can demonstrate impact, in a sustainable way, by enhancing quality of life for people with diabetes
- Carried out an annual programme of educational events, working collaboratively with like-minded groups to support all aspects of diabetes and related health, making them as accessible as possible, to as wide an audience as possible
- Developed relationships with diabetes and related healthcare providers to ensure relevant professional expertise is available to support the charity's health and social care activities in a sustainable way
- Developed DRWF's online presence particularly through the use of social media outlets in order to reach wider audiences and to provide support in accessible formats
- Reviewed our annual research funding round giving consideration to ways in which to increase engagement with RAB members and explore ways of measuring and demonstrating impact from funded projects
- Reviewed income streams and tested new methods of raising voluntary income so as to reduce reliance on single activities
- Increased volunteer engagement in awareness, support and fundraising activities to widen our reach; encourage user involvement and provide a more robust income stream
- Explored Gift in Kind opportunities to enable us to source, secure and distribute diabetes and related health items to areas of the world where medicines etc., are less readily available
- Reviewed investment and reserves policy
- Considered succession and sustainability plans for the future

We use qualitative and quantitative approaches to monitor and evaluate our activities in order to ensure that they remain true to purpose and that the outcomes aimed for are achieved. Stakeholders and beneficiaries are involved in these evaluation processes to ensure the continued relevance, quality, accessibility and effectiveness of activities. We also engage independent evaluation with specialist partners for specific projects where expert input is required.



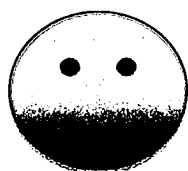


## **Demonstrating public benefit**

The trustees confirm that they have referred to the general guidance set out by Charity Commission on public benefit. The trustees are satisfied that the Charity's activities meet the principles of public benefit, defined as providing an identifiable benefit/s to the public, or section of the public, and know of no detriment or harm that may be caused as a result of these activities, which are clearly set-out throughout this report.

## **Volunteers**

As a small team delivering numerous activities, we rely on the support of volunteers who, participate by helping out with administrative tasks in our office; delivering diabetes awareness and information materials; undertake user involvement exercises to help steer and develop our programme activities; support our educational events and community fundraising programme or sit on one of our expert panels for research or information review. The number of volunteers fluctuates each year and therefore it is difficult to calculate the true value of the support received. Volunteer engagement is crucial to helping us spread the word about the work we do and to support local and national community fundraising initiatives. We continue to develop our volunteer network across the country in an ever-changing landscape and wholeheartedly thank all of our volunteers for their time, expertise and support.



## **Making an IMPACT in 2018**

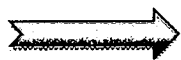
### **Awareness, information & support**

The number of people diagnosed with diabetes in the UK has more than doubled in the last 20 years. There are now more than 3.8 million people diagnosed with diabetes in the UK, an increase of around 1.8 million on the numbers of people recorded in 1998. It is also believed that there could be as many as 1 million more who have diabetes, largely type 2, but have yet to be diagnosed. Add to this the estimated 12 million who are at higher risk of diabetes, and the need for greater awareness becomes ever more apparent and urgent.

The treatment of diabetes in the UK costs the NHS around 10% of its annual spend, this is around £10 billion per year of which around 80% is spent on treating associated complications, many of which can be avoided.

Diabetes can be successfully managed, and complications often prevented, particularly with early detection. Furthermore, diet and exercise related lifestyle changes can significantly reduce the risk of type 2 diabetes. All of which can help to reduce the debilitating impact that diabetes has on all aspects of life, as well as the overwhelming financial burden that it brings to bear on healthcare services.

To this end, we continued to raise awareness via multi-media channels with consistent messaging to differentiate between type 1 and type 2 diabetes, helping people to understand that whilst type 1 diabetes cannot be prevented, much can be done to prevent or delay the onset of type 2.



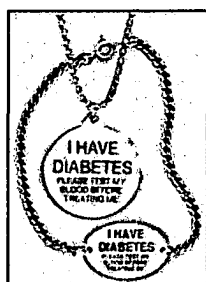
We distributed more than 401,000 direct mail campaigns in 2018 containing awareness information and calls to action. With a positive response from 13.5% of those mailed, we know that at least 54,000 people across the country read the information contained within the campaign. We know from experience that it is likely that

many more opened and read the information but chose not to make direct contact with us at that time. Historically, we have seen numbers of people respond to communications that have been distributed many months before, even years, as they have held onto the information provided for future reference. Additionally, we tested a new direct mail approach reaching a further 99,000 households across the country.

Our awareness messages are reaching wider audiences than ever before through social media channels and enabling us to interact with more diverse communities where the risk of diabetes is sometimes higher.



Almost 58,000 people visited the charity's website in 2018 with the diabetes news and event section being the most popular, in particular the news items related to advances and breakthroughs in research, treatment and care.



Our Diabetes Awareness Necklace is distributed free of charge to people with diabetes and healthcare professionals for onward distribution. These necklaces provide emergency identification for those with diabetes should they be unable to alert the emergency services to their condition. They carry the wording 'I have diabetes, please test my blood before treating me'. They are distributed along with medical check-up cards that are used to record tests and results to inform self-management strategies. More than 7400 necklaces were distributed during the year to diabetes and related health care professionals and those living with diabetes, as a result

of a direct request. This represents a 10% reduction on the numbers distributed to direct requests in 2017, however high volumes of necklaces are also taken away from events that we attend or hold. Requests are received via the charity's website, DM programmes and social media channels, particularly Face Book, and very often are as a result of other organisations and companies directing traffic to the charity's offer. During the year, several 'free offer' sites steered around 900 requests alone.

*"My husband has recently been diagnosed with Type 2 Diabetes but suffers from heart and vascular conditions as well, which means he could potentially collapse anywhere and at any time. We both feel these necklaces could prove extremely invaluable in the future. We just wanted to say what a fantastic service you provide. The information on your website has been very important to us as well".*

## NHS England Information Standard accredited health and social care information

NHS England Information Standard accreditation that demonstrates that the information provided is relevant, clinically evidenced and up-to-date, and that a robust production process, including peer and lay review, is performed on each publication. Patient information resources are available free of charge in print format. They can be downloaded from our website as pdf or audio files or requested in large print format.



Diabetes and related healthcare professionals request these leaflets in bulk to distribute within their clinics and surgeries. More than 39,035 leaflets were distributed in hard copy during the year, with more than 7855 downloads from our website, an increase of 16.5% on the previous year.



During the year, we worked with **Barnard Health Research** to gather information from recipients and users of the charity's information leaflet series, to ensure that they are fit for purpose.

**A mixed methods approach** was adopted including a review of existing materials, semi-structured interviews with experts and users, questionnaires for healthcare professionals and people with diabetes separately and targeted approach to existing contacts who regularly order and re-order the leaflets.

**In conclusion**, it was clear that the leaflets have a positive impact and a utility within clinical practice and beyond for some people with diabetes and healthcare professionals. Limitations of the leaflets, in terms of design particularly, can be overcome without too much difficulty. This should not, however, detract, from the important role these leaflets play in providing much-needed information both as a clinical aid and a useful resource outside of clinic.



More than 123,691 copies of our monthly newsletter, Diabetes Wellness News, were distributed to subscribers and regular givers in our Partners for the Cure programme during the year. The newsletter is circulated to annual subscribers and on a complimentary basis to healthcare providers who share the information with their patient communities. It is difficult to accurately predict the true readership of the newsletter but through anecdotal evidence, it is clear that it is much wider than those who have specifically requested to receive it. The number of healthcare professionals on our database during the year had reduced by 4.5% standing at 3928 at year-end.

*"We both read your newsletter all the way through and enjoy the content and seeing the positive aspects of research on people with the condition, thank you"*



### Diabetes Wellness educational events

Diabetes structured education aims to provide people with diabetes with the knowledge and confidence to self-manage a long-term condition effectively. The offer of structured education has improved over the last three years. However, the rates of attendance are still very low and disparate across the country. Self-management is central to diabetes care. Yet, it is reported that four in ten people with diabetes experience emotional or psychological problems, such as depression, anxiety and diabetes distress, all of which can impact the ability and motivation to self-manage effectively. This leads to poorer health outcomes, reduced quality of life and increased healthcare costs. Being able to access appropriate psychological support is an integral part of self-management and a core service component in the NHS Right Care pathway for diabetes. However, recent reports suggest that more than three quarters of people with diabetes were not offered emotional or psychological support when they needed it.

We have been running an annual programme of Diabetes Wellness events since 2001. We work with diabetes, and related, healthcare professionals to facilitate workshops that provide relevant, up-to-date, evidence-based information covering all aspects of diabetes and related health. Delegates choose the sessions and talks that they attend meaning that they create

their own agenda for the day, improving engagement and supporting better outcomes. These events bring together a wealth of information and expertise under one roof.

The event programme is devised and delivered by experts and offers rotating workshops that focus on the day-to-day management of diabetes and also prevention and management of associated complications. An exhibition hall provides a central hub where delegates can access a range of support from primary, secondary and community organisations.

We know that managing diabetes is challenging and so effective coping strategies are crucial to support optimal health. These coping strategies are important not just to people living with diabetes but their family, friends and carers. Peer support plays an important part in emotional wellbeing and this in turn can have an obvious impact on the ability to self-manage effectively. For this reason, we feel it is important to include family, friends and carers in workshops and discussions which facilitates discussion around managing diabetes, perceptions and expectations, in an environment where everyone has experienced or is experiencing something similar. These events are relaxed and welcoming in approach. They are inclusive and provide for diverse needs. They also provide an amazing opportunity to spend time with a whole host of health care professionals asking the questions that really matter to the individual, in a relaxed and informal environment.

National guidelines recommend that people living with diabetes should be offered structured diabetes education that involves a range of activities to increase knowledge and skills around self-management. Our Quality in Care Diabetes (QiC) award-winning Diabetes Wellness events are complimentary of the structured education courses on offer via the NHS and are supportive of the ongoing need to refresh and gain new knowledge throughout the lifetime of a long-term chronic condition. We see a high volume of people that come back year on year for this reason, as well as newly diagnosed who have been recommended to attend by their own healthcare professional. In 2018, we held 3 events across the country accommodating around 300 delegates.

*"I learned more at your day than I have learned in the last fourteen years living with my diabetes. Thank you for the day and your time"*



**Diabetes**  
Professional  
Care\* - **DPC\***

### **Diabetes Professional Care 2018**

14<sup>th</sup>– 15<sup>th</sup> November 2018  
Kensington Olympia, London

DRWF were the registration sponsors for this event for the third year running. This is a 2-day, free-to-attend conference and exhibition for healthcare professionals involved in the prevention, treatment and management of diabetes. It focuses on real-world, practical education aiming to provide HCP visitors with the skills and knowledge they need to deliver the very best diabetes and related health care for their patients. It is the only free-to-attend CPD accredited diabetes event in the UK.

There were 4195 attendees in 2018 almost trebling its attendance numbers from 1589 over the past 3 years. Visitors were –

- 86% Health Care Professionals
- 8% CCG board members/diabetes/obesity/LTC leads
- 4% scientists/researchers/educators and medical students
- 2% Business development & marketing.



### Diabetes Professional Care – Charity of the Year

In 2018, DPC launched the Diabetes Professional Care Industry Awards in association with The Diabetes Times to celebrate achievements, standards of excellence and commitment to quality and positive outcomes by companies and organisations working in the field of diabetes. We were delighted to be named as the DPC Charity of the Year in our 20<sup>th</sup> anniversary year. DPC founders and organisers are committed supporters of DRWF and routinely volunteer their time and services at Diabetes Wellness Events and fundraisers.

DRWF has committed to registration sponsorship of DPC 2019 which moves into the Grand Hall at Olympia due to the popularity and increasing footfall of the event. DPC has secured a partnership with the ABCD (Association of British Clinical Diabetologists) for 2019 and the event promises to be the biggest and best yet. The DRWF Chief Executive has been selected to the steering committee for the programme, giving DRWF further exposure in its capacity of a charitable organisation supporting the continuing professional development of diabetes healthcare professionals in the UK.

### Gifts in Kind

Gifts in Kind are non-cash donations made to the charity, such as medical supplies, which the charity redistributes to other organisations that may benefit, where these diabetes and related health medicines may not otherwise have been available or are in short supply. In 2018, we received one donation of type 2 diabetes and related health medicines with a wholesale value of approximately £600,155.00. This donation offer came from Aid Unlimited via our service partner, Charity Services International. These medicines were gifted onwards to our programme partner, Dominican Republic Instituto Dominicana de Accion (IDAC). The medicines were utilised in hospital and clinics in the city and outlying rural areas, enabling the treatment of 887 adults aged 20-59 years; 1008 adults aged 60+ for diabetes and diabetic neuropathy. These medicines improved access to diabetes treatment; increased opportunity for new patient and follow-on treatment. Additionally, they increased access to medicines for the treatment of diabetes related complications and decreased the severity of some of these complications which had been exacerbated by lack of access to appropriate medications.

The administration and distribution costs of these medicines were approximately £10,980 meaning that every £1 (£608,155) donated cost us 0.018p. The cost of treating 1895 patients was equal to around £5.79 per person.



PEER REVIEW AUDIT

**2015**

### Research Funding Programme

We provide research grants to researchers whose work we consider offers the best hope and most expedient path to improved understanding of T1 and T2 diabetes; new and improved treatments and management strategies and ultimately a cure. Awards are offered as a 3-year Clinical and Non-Clinical Fellowship and 1-year Pump Priming project awards. Institutional awards are available when funds allow on a multi-year basis. Contract funding of key personnel within the DRWF Human Islet Isolation Facility at the Churchill Hospital, Oxford is provided on a 2-3-year basis dependent upon results.

We are a member of the Association of Medical Research Charities (AMRC), and as such, support the use of a rigorous peer review procedure in the allocation of our research funding. Our Research Advisory Board (RAB) is a multi-disciplinary panel of clinicians and scientists who assess applications for funding. Our processes are audited every 5 years by AMRC, the last time being 2015, when once again, we successfully passed this independent evaluation.

*"The commitment to strong peer review practice demonstrates the high standards of quality and scientific rigour adopted by DRWF both as an organisation and reflected in the dedication and commitment of every single team member."*

Professor Katharine Barnard, DRWF Research Advisory Board

Two calls for applications were advertised in 2018 – A 3-year Non-Clinical Fellowship and a 1-year Pump Priming round with the following awards being allocated –



**Professor David Matthews Non-Clinical Fellowship 2018**

**Dr Chloe Rackham – King's College London £194,934**

**Title: Improving islet transplantation outcomes by harnessing the mesenchymal stromal cell secretome to target the donor islet graft and host environment**

**Lay Summary:** This research aims to define the mechanisms through which Mesenchymal Stromal Cells (MSCs) or the biologically active substances that they produce should be used to improve the efficiency of clinical islet transplantation. Our experiments have shown that MSCs produce Annexin A1 (ANXA1) and that ANXA1 partially mimics the beneficial effects of using MSCs. We aim to define a 'cocktail' of therapeutic factors produced by MSCs, which can be used instead of the MSCs, to fully reproduce the beneficial effects of MSCs in transplantation protocols. Defining MSC-derived biotherapeutics will allow simple modifications to clinical transplantation, that will help to overcome some of the safety concerns of using MSCs directly and allow safe and reproducible modifications to be carried out. The proposed work will help design and start a clinical trial within the next five years. Through improving the efficiency of the transplant procedure, clinical islet transplantation can be offered as a therapeutic option to the greatest possible number of patients with Type 1 Diabetes and improve outcomes for individual transplant recipients.

**2019 Pump Priming Awards**

DRWF held the UK Pump Priming RAB meeting on 19<sup>th</sup> October 2018. A total of 29 applications for funding were received and reviewed by the Research Advisory Board. The RAB made recommendation to the Board of Trustees to fund 6 projects (21%) totalling £116,534. Funding was approved on 24<sup>th</sup> October.



**Dr Patricio Atanes – King's College London £19,995**

**Title: Defining the role of chemokine receptor CCR9 in islet function: potential for therapeutic intervention in type 2 diabetes**

**Lay Summary:** Type 2 diabetes (T2D) occurs when blood sugar (glucose) levels are too high because the specialised islet beta-cells do not release enough insulin, or insulin does not work properly. T2D can be treated by drugs that stimulate insulin secretion, but some patients cannot properly regulate their glucose levels using these therapies and may suffer from side effects. Some chemicals regulate beta-cell health and function by binding to "receptor" proteins. We know that obesity stresses beta-cells and we have identified that islet cells from obese organ donors show alterations in the amounts of particular receptors that they contain. We are particularly interested in a receptor called CCR9, which is nearly 100-times more abundant in islets from obese donors than islets from normal weight donors. In this small project we will investigate whether this increase in CCR9 has a protective function or is involved in the beta-cell damage associated with obesity. This study will therefore provide essential feasibility information for further development of drugs targeting CCR9 to treat T2D.



**Dr Goher Ayman – University of Oxford £19,567**

**Title: Project: A James Lind Alliance Priority Setting Partnership to define the research priorities in diabetes and pregnancy**

**Lay Summary:** Diabetes affects over 5% of all women giving birth in the UK. It increases the risk of complications during pregnancy and birth for the mother and her baby and can also affect them in the long-term. More research is needed to help provide the best health care for women with or at risk of diabetes, who are planning or are pregnant. This project aims to help direct the research which is done in diabetes and pregnancy towards addressing the areas which are considered most important by the people impacted by it. Over approximately 12-18 months we will work with women and their families affected by diabetes in pregnancy, and health care professionals, to identify where little is known, or there are uncertainties about, the effects of treatments and health care in diabetes and pregnancy. A top ten list of priority research questions will be jointly agreed and shared with the public and research funders. Where possible, research projects will be developed and submitted for funding.



**Dr James Cantley – University of Oxford £20,000**

**Title: Investigating the role of Viperin in beta cells as a mechanistic link between enteroviral infection and the development of type 1 diabetes**

**Lay Summary:** We want to understand the role of Viperin, a protein that the body makes as part of the immune response to viral infection, in the development of type 1 diabetes (T1D). As viral infection of the insulin-producing pancreatic beta cells has been linked to the onset of T1D, we want to understand if Viperin plays a role in this process. This knowledge may enable the development of drugs/treatments to prevent or intervene early in the disease, potentially avoiding many of the severe complications of T1D such as diabetic ketoacidosis.

In particular, we want to find out:

1. How much Viperin people with recent-onset T1D have in their pancreas.
2. How much Viperin there is in a human pancreatic beta cell model (cell line maintained in a test tube) infected with virus (like a person developing T1D).
3. The role played by Viperin in beta cell dysfunction and death, using cell models relevant to T1D (cells infected with virus or exposed to proteins called cytokines produced by the immune system).



**Dr Sarah Finer – Blizard Institute, Barts and the London School of Medicine and Dentistry £19,771**

**Title: Uncovering novel, rare genetic causes of type 2 diabetes in people of Bangladeshi and Pakistani heritage participating in East London Genes and Health**

**Lay Summary:** We aim to investigate new genetic causes of type 2 diabetes (T2D) in people of Bangladeshi and Pakistani heritage, who have been recruited to a community genomics study called East London Genes and Health (ELGH). ELGH is investigating the cause of diseases, e.g. T2D, which disproportionately affect people of this heritage and yet are under-researched and has involved 30,000 volunteers so far. Preliminary work has identified people with specific, and rare, gene changes that might predispose, or protect, them from T2D. We would now like to invite approximately 100 people with and without



these gene changes to participate in more detailed studies to investigate the effect of these gene changes on their health. These studies will include a detailed assessment of their medical and family history, a physical examination and fasting blood sample. Information obtained from these volunteers will be used to perform additional laboratory tests (e.g. measurement of blood glucose, lipid levels, and DNA studies) to investigate if, and how, these gene variants might be linked to disease.



**Dr Nicola Guess – King's College London £18,196**

**Title: Towards remission of type 2 diabetes without weight loss**

**Lay Summary:** Significant weight loss (>10kg) can help a large majority of people to come off their medications and achieve remission of their type 2 diabetes. However, for many people, weight loss might not be possible or desired. Promising studies show that low-carbohydrate diets can reduce blood sugar to the level of someone without type 2 diabetes without any weight loss. However, these low-carbohydrate diets also included a lot of high-protein foods. Protein might help the pancreas produce more insulin. Therefore, it is not clear whether carbohydrate restriction alone is enough to normalise blood sugar. This study will test the effect of changing the amount of protein in the diet while people are on a low-carbohydrate diet in people with and without type 2 diabetes. We will increase and decrease the protein in random order but keep the carbohydrate intake unchanged to see what happens to blood sugar levels. This will tell us if added protein is specifically needed for carbohydrate restriction to lower blood sugar in people with type 2 diabetes.



UNIVERSITY OF  
**LINCOLN**

**Professor Terence Herbert – University of Lincoln £19,005**

**Title: RNA binding proteins (RBP) and insulin secretion: an unexplored area of diabetes research**

**Lay Summary:** Specialised cells called beta-cells make and release the hormone insulin which reduces the levels of sugar in the blood. Diabetes occurs when these cells fail to secrete enough insulin leading to raised blood sugar. We have discovered, in beta cells, a new set of proteins that we have named 'secretory RBPs'. We believe that these novel proteins play a vital role in making and releasing insulin and may play an important role in causing the beta cells to 'fail'. With the generous support of the DRWF we wish to follow up this exciting discovery to find out more about the role of these secretory-RBPs in beta cells. This will lead to a better understanding of how the insulin is made and released and what causes the beta cell to stop working as it does in people with diabetes. We anticipate that the results of the project will ultimately lead to the development of new treatments for the prevention and management of diabetes.





**Diabetes Wellness International Network - Nils Wierup & Valeriya Lyssenko –**

**Term: 2 years 2,000,000 SEK – 50% payable by DRWF / 50% payable by DWS (Sweden)**

**Title: Discovery and functional validation of regulatory networks in human pancreatic islets to identify targetable disease mechanisms underlying Type 2 diabetes**

**Lay Summary:** The pancreatic islets are key regulators of blood sugar. It is established that islet dysfunction is the final culprit in type 2 diabetes (T2D), but the exact mechanisms are not known. Studies aiming to understand why have been difficult to pursue due to the complex cellular composition of the islets. The islets are composed of at least 5 cell types and it has not previously been possible to study what fails in T2D in each cell type at a time. This has been made possible thanks to new technology (single-cell RNAsequencing) that enables measurement of the expression of all genes in a single cell. We will use this technique to address what cellular biological processes that fails in which cell type in T2D. We will also functionally test whether computer-assisted predictions of cellular processes translate into true biological processes. This way we are well positioned to identify disease processes that can pave the way for development of novel treatments.



### **Islet Cell Research & Transplant**

DRWF has made a considerable contribution to the funding of islet cell research and transplant in the UK and the US. The DRWF Human Islet Isolation Facility at Churchill Hospital, Oxford plays a pivotal role in providing islets for research and transplant as part of a national treatment programme, the clinical element of which is funded by the NHS.

Three personnel are funded within the facility. In 2015, we secured funding from a major donor via New Philanthropy Capital to cover 2 of these contracts, the Laboratory Manager and the Post-Doc researcher for 3 years (2018) and 2 years (2017) respectively, for a specific proposal **'Improving human islet provision for clinical and research use within the UK by optimisation of human islet yield, islet function and islet survival'**

This project continues to deliver world-leading outcomes in terms of post-transplant resolution of life-threatening hypoglycaemia, and in terms of research productivity and translational impact. The provision of high-quality human islets for clinical and research uses is a unique and invaluable resource and has resulted in numerous high impact publications and novel discoveries that will impact patients with type 1 and type 2 diabetes across the world.

The team publishes their research findings regularly and present their work at the major diabetes and transplantation meetings.

The restricted major donor award supporting the Islet Laboratory Manager and Post-Doc roles concluded at the end of May 2018. The project met or surpassed each of the identified outcomes and milestones set out within the proposal for funding to NPC. The key achievements from work conducted in 2017 - 2018 were:

- 10 successful transplants performed using islets from the DRWF facility in Oxford, Manchester, and Edinburgh. Additionally, 4 islet preparations were successfully transplanted into Oxford patients using shipped islets. The outcomes continue to be impressive with > 90% patients achieving resolution of life-threatening hypoglycemia.



- In order to address donor shortage many pancreases from 'marginal' (non-ideal) donors were processed. Eighteen out of 42 pancreases resulted in an islet yield of >200,000 IEQ (the revised minimum transplant requirement); 14/42 yielded >250,000 IEQ. These outcomes match leading worldwide centres for this range of donors.
- We continue the vital resource of islet provision to the key diabetes researchers in the UK with distribution of 30 research islet preparations.
- The Oxford international research programme has developed a novel islet culture media and research is being conducted into islet co-culture with mesenchymal stem cells and pancreatic matrix proteins. The Oxford team are a key partner in a Horizon 20/20 European Grant and integral to the NIHR Oxford Biomedical Research Centre.

The Oxford team is working to address the current challenges presented in terms of availability of organs for transplant; improving islet isolation techniques in order to increase the number of insulin producing cells isolated from donor organs to improve function and survival of cells post-transplant.

DRWF funds three personnel within the islet isolation facility, making a further 3-year commitment to the Lab Manager role commencing 1<sup>st</sup> May 2018 and terminating at the end of April 2021 for a maximum value of £209,899.41.

### **Interim and Annual Research Reports received in the year**

Reports are reviewed by Professor David Matthews, Chairman of the DRWF Research Advisory Board, and Research Manager, Dr. Eleanor Kennedy.

## **How we raised our money in 2018**



**Our approach to fundraising** – The DRWF trustees are aware of their individual responsibility and accountability to ensure that the charity fundraises legally, responsibly and effectively. They are aware of the Charity Commission CC20 guidance and use this and the accompanying checklist to help them evaluate the charity's fundraising performance.

The charity is diversifying its income generating activities to reduce reliance on single income streams. The largest volume fundraising activity that the charity has is a direct mail programme. Legacy income and regular giving programmes are also sources of higher volume/value donations to the charity at this point.

**Fundraising Regulator:** We are a levy-paying member of the Fundraising Regulator and subscribe to the associated fundraising codes of practice. The charity suppresses individual supporter records against the Mailing Preference Service, Telephone Preference Service and the Fundraising Preference Service, which helps to ensure that we do not approach individuals who have expressly requested that we do not contact them. During the year, we were notified of 39 unique FPS requests, which are suppressed from all contact.

**Complaints:** The charity has a published complaints procedure, available on its website, and endeavours to respond to enquiries and complaints within the stated timeframe. Most contacts tend to be a request to opt-out of charity communications by existing supporters and we monitor the basis on which people request this i.e. content of appeal; volume of contact; type of contact; method of contact to inform our campaigns with the aim of reducing any perception of unreasonable intrusion, persistent approach or undue pressure to support.

We were advised at the end of January that the Advertising Standards Authority had received a complaint from a recipient of a free prize draw that we had distributed. The recipient of the campaign sent their complaint to Brent & Harrow Trading Standards who referred it to ASA. We were given the opportunity to defend the package and its content. However, ASA considered that the complaint was 'complex' in nature and referred the case to ASA Council for consideration. We were given the opportunity to submit further defence, which we duly did but, unfortunately, Council decided to uphold the complaint in favour of the complainant, and we were advised that we would not be able to use the package in its current form. Following this, we made the decision to become members of the Institute of Promotional Marketing (IPM) in order to minimise the risk of future error in our communications. Taking a 'belt-and-braces' approach to this, all promotional marketing campaigns are now submitted to ASA for CAP review as well as IPM prior to publication and distribution. We are not aware that there was any adverse/reputational repercussion from this complaint.

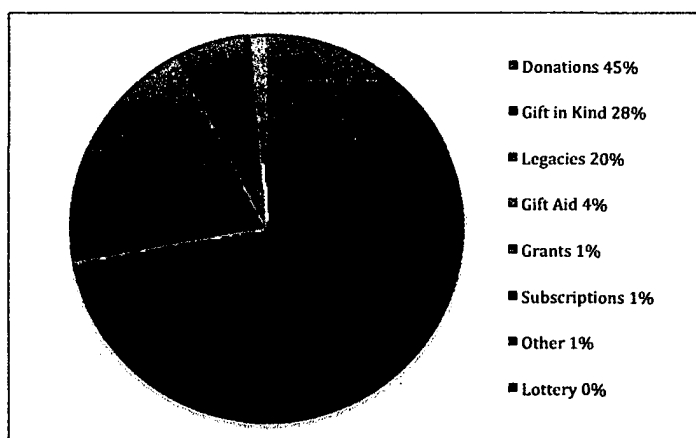
**New fundraising activities:** During the year, and inline with our plans to develop a broader spectrum of income streams, we signed up to the UNITY Small Society Lottery. The Unity Lottery is a common brand lottery jointly promoted by Sterling Management Centre and individual society lotteries. Each Lottery operated under Unity is a separate licensed lottery, operated by and supporting that particular good cause. Unity is administered by Sterling Management Center, a registered External Lottery manager, licensed by the Gambling Commission.

Participation in Unity is a low-cost option lottery start-up for DRWF having secured a small society lottery licence from our local authority, Havant Borough Council (SL181). Our contract with Sterling to provide administration of the Unity lottery programme is on a rolling 12-month basis with a 3-month notice period for termination. There are no exit fees.

Sterling collect, capture and process player data on behalf of DRWF, within the confines of a data processor agreement, in order to facilitate all aspects of the administration related to player entries into the lottery draw each week and allocate/distribute subsequent winner notifications/prizes.

It is our intention, to promote participation to DRWF audiences via our website, direct mail campaigns, at our Diabetes Wellness events and other acquisition channels, moving forward.

### Income generation by source in 2018





## **GDPR and Data Protection**

We are committed to protecting the personal information and privacy of individuals that we engage with and comply with relevant legislation and codes of practice, whilst carrying out our essential work of raising awareness of diabetes, providing information and support, and raising funds. Our privacy policy, published at [drwf.org.uk](http://drwf.org.uk) sets out how we capture, manage and retain personal information in compliance with GDPR that came into force on 25<sup>th</sup> May 2018.

## **Financial Review**

Principal income streams in the year (excluding Gift in Kind activity) were direct mail campaigns; regular giving via direct debit; legacy income and gift aid associated with voluntary donations.

Total income, excluding Gift in Kind value was £1,600,277. This was an increase of 11% on budgeted income and a 26% reduction on income received in 2017. Voluntary donations including gift aid receipts at £1,525,877 was down by 25.5% on 2017. Legacy income, having been budgeted for very cautiously on notes of intent only, was double anticipated income, but less than half that received in 2017.

Total expenditure in the year, excluding Gift in Kind value, at £1,815,635 was 3.4% below budget and a reduction of 6% on expenditure in 2017. At year-end we were showing a deficit of £215,358. This was less than half the deficit we had anticipated at £444,733 that was based on our forward knowledge of financial commitments in the year, and an anticipated reduction in income due to challenges in fundraising activities.

Direct charitable expenditure was 90p in every £1 spent (0.91p in 2017 – a reduction of 1%)

## **Investment Policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees see fit.

The trustees, being averse to risk and having regard to the liquidity requirements of the charity, and to the reserves policy, have historically operated a policy of keeping available funds in a higher interest bearing deposit account seeking to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail prices index.

The trustees have regularly reviewed opportunities to increase investment return from short-term, easy access, options bearing in mind the desire to ensure that we can react quickly to appropriate requests for additional research support as they arise.

The trustees are also conscious of on-going cash-flow requirements during a challenging time where historical fundraising methods are raising less income and where new methods of fundraising are being tested at higher cost.

All things considered, the trustees believe it appropriate to continue to explore investment opportunities as they present themselves, with a view to maximising return on its deposits.

## **Reserves Policy**

To safeguard the need for sufficient funds to cover on going management, administration and support costs, as well as respond to further grant requests that might arise, the Board

aims to maintain unrestricted, free reserves at a level that equals 3-6 months of operating and charitable expenditures, which equates to between £511,926 and £1,023,852.

During financial year 2018, total expenditure (excluding Gifts in Kind) was £2,423,790. Allowing for adjustments and forward research commitments, the charity's expenditures for financial year 2019 are likely to be in the region of £2,048,000. At 31<sup>st</sup> December 2018, the charity held free reserves (unrestricted reserves less fixed assets) of £3,455,865. This is the equivalent of approximately 20 months operating and charitable expenditures (see 'Our focus in 2019 and beyond' below).

Fundraising, particularly via our historically successful channels such as direct mail, has become more challenging in recent times. The trustees are committed to strengthening existing income streams whilst diversifying fundraising activities to reduce reliance on single sources. It is accepted that this will take investment in activities where the accuracy of predicting response rates, in terms of volume or value of gift, will be more challenging in the first instance.

The charity was required to find alternative premises during 2018 due to redevelopment of the site that had been its home for the last 18 years. New premises were secured, and the charity moved to Langstone Technology Park in August. Whilst the charity was successful in securing a reasonable rate for the lease of its new premises, both the direct and indirect costs of the new premises will be higher than previously enjoyed.

Current reserves, whilst in excess of those anticipated, will enable us to navigate these more challenging times whilst diversifying income generation and developing the charity's objective activities, for future sustainability.

### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements having given consideration to known commitments, forecasts and projections and possible pressures on income generation. After making these considerations, the trustees conclude that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing the financial statements.

### **Our focus in 2019 and beyond**

- Consider reserves and investment policies given current fundraising challenges and uncertainty around Brexit
- Succession planning for the trustee board and organisational structure to build resilience for the future
- Sustainability – income diversification via new fundraising methods; review of existing activities for cost effectiveness and purposeful delivery of objectives; identify new opportunities for both income generation and growth/development of objective activities
- Evaluation and development of objective activities to ensure that they maximise opportunity for engagement and accessibility whilst continuing to meet the ever-changing needs of our beneficiaries and stakeholders

## **Reference and Administrative Details**

**Charity Number:** 1070607

**Company number:** 03496304

**Registered Office:** *Jan – July 2018*  
010-012 Northney Marina  
Hayling Island, Hampshire  
PO11 0NH

*August 2018 onwards*  
Building 6000 Langstone Technology Park  
Havant, Hampshire  
PO9 1SA  
Tel: 023 92 637808  
Website: [drwf.org.uk](http://drwf.org.uk)

**Trustees & Directors:** Mr W. Michael Gretschel (Chairman)  
Mr John Alahouzos  
Mr Jeffrey Harab  
Mrs Valerie Hussey  
Mrs Rae-Marie Lawson (resigned 08.05.2019)

**Chief Executive:** Mrs Sarah Tutton (Bone)

## **Advisers**

**Bankers:** Barclays Bank Plc  
1 Churchill Place  
London E14 5HP

**Solicitors:** Blake Morgan LLP  
New Kings Court  
Tollgate  
Chandlers Ford  
Eastleigh SO53 3LG

**Secretary:** Blake Morgan Company Secretary Services

**Auditors:** Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

## **Structure, Governance & Management**

**Governing Document** - The Diabetes Research and Wellness Foundation, also known as DRWF, is a registered charitable company (Registered Charity No.1070607 and Company No 3496304) limited by guarantee and governed by its Memorandum and Articles of Association dated 15 January 1998 and amended by special resolutions passed on 15<sup>th</sup> June 1998, 2<sup>nd</sup> December 2001 and 24<sup>th</sup> April 2005.

**Recruitment & Appointment of Trustees** - The charity trustees are also the directors of the company for the purposes of company law.

As dictated by the charity's Articles of Association, the board of directors is appointed by the company members. Any person desiring to be admitted to the membership of the company is required to apply in writing. No person shall be admitted until approved by resolution passed in accordance with the Articles of Association by the existing members, who hold absolute discretion as to the admission of any person.

The Trustees of the charity, being mindful that the board should offer a diversity of skills to fulfil statutory and fiduciary duties, are open to recommendations for new board members.

The business and medical/health related skills within the existing board member pool are supported by personal experience of diabetes, which assists the board in ensuring that objective activities meet beneficiary need.

Additionally, the board is supported, in its decision-making processes, by a Research Advisory Board, with an independent Chairman, and an Editorial Advisory Board. Both boards are made up of clinicians, scientists and other 'experts' in the field of diabetes and related health.

All board members are subject to conflict of interest policies and processes.

**Trustee Induction and Training** – Newly elected Trustees receive an Induction Pack that outlines the role and responsibilities of the Trustee, along with a history of the structure and purpose of the charity.

The pack includes a copy of the governing document and contact details of all board members. There is also an outline of the Chairman of the Board's role and responsibilities along with details of the executive officer taking responsibility for the daily management of the charity. Trustees are required to comply with the eligibility requirements set out by Charity Commission and to review and update an annual 'register of interests'.

Trustees are kept up to date with various governance publications and notices from appropriate professional advisory memberships. Additionally, trustees might be advised of appropriate governance courses that they may benefit from attending to ensure diversity and continuity of knowledge and skills within the Board.

Newly elected trustees are invited to attend a Review Meeting with the chair, after an agreed time lapse, in order to feedback their first impressions and address any concerns.

Trustees are actively encouraged to participate in the charity's outreach programme of educational events.

**Organisation** - The strategic direction and policy of the charity is the responsibility of the Board of Trustees. During 2018, five trustees served on the board, from a variety of professional backgrounds relevant to the work of the charity. The board meets at least once each year in person. There are quarterly scheduled teleconference meetings with additional meetings organised as required.

The day-to-day operations of the charity are carried out by the Chief Executive, who is responsible to the board of trustees

**Connected & Related Parties** – DRWF co-operates on a number of intellectual matters including sharing articles and reports with the Diabetes Research and Wellness Foundation Inc., a 501C3 Not for Profit Company operating in the United States. The two organisations are completely separate and independent with no legal connections.

- Mr. W. Michael Gretscher is the Chairman of the Board of Trustees of the Diabetes Research and Wellness Foundation and is the volunteer President of the Diabetes Research and Wellness Foundation Inc. but does not serve on its board of directors.
- Mr. John Alahouzos is the Chairman of the Diabetes Research and Wellness Foundation Inc. and serves on the Board of Trustees of the Diabetes Research and Wellness Foundation.
- Three Diabetes Research and Wellness Foundation board members – Mr W.M. Gretscher, Mr J. Alahouzos and Mr J. Harab sit on the board of an associated charity in France, Association pour la recherche sur le diabete (A-rd).
- One Diabetes Research and Wellness Foundation board members – Mrs V Hussey is an 'alternate member' on the board of an associated group in Sweden, Insamlingsstiftelsen Diabetes Wellness Network Sverige (DWNS).
- Two Diabetes Research & Wellness Foundation board members – Mr W.M. Gretscher and Mr J. Alahouzos sit on the board of an associated charity in Norway, Diabetes Wellness Norge.

Links between these independent organisations, has proved invaluable to the charity in helping to strengthening it's international presence, for the purpose of supporting diabetes research programmes and global awareness activities.

A register of Trustee's Interests is reviewed on an annual basis.

**Remuneration Policy for senior staff** - The directors, who are also the charity's trustees, and the Chief Executive Officer comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 13 to the accounts.

The salary of all staff, including the chief executive officer, is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, its size and structure, the directors undertake a benchmarking exercise, using online research and tools such as UK Payscale, comparing the charity's salaries against pay levels offered for similar roles within other charities.

The benchmark is the mid-point of the range paid for these similar roles with consideration given to workload, level of responsibility, anticipated rate of inflation and other published research on third sector rates of pay.



The charity considers that its remuneration policy –

- Ensures delivery of the charity's objectives
- Attracts and retains a motivated workforce with the skills and expertise necessary to ensure organisational effectiveness
- Is equitable and coherent across the organisation
- Takes into account the purposes, aims and values of the charity
- Ensures that pay levels and pay increases are appropriate in the context of the interests of our beneficiaries

**Risk Management** – The Trustees have examined the major strategic, business, reputational and operational risks that the charity faces. This involves identifying specific risks; assessing their likelihood of occurrence and potential impact; determining what steps could be taken to mitigate those risks and delegating responsibility to key staff for overseeing management of the associated controls. The risk register is reviewed annually to ensure the adequacy of internal control mechanisms. The trustees consider that the Charity has robust internal procedures, systems and processes and believe that risk assessment is embedded throughout the organisation.

The risk register was reviewed in October 2018. The Board considers that the major risks facing the Charity are:

- Gaps/succession in the Trustee Board
- Fundraising challenges and dependency on income streams
- Loss of data
- Budgetary control and financial reporting
- Dependency on single service suppliers
- Reserves Policy
- Lack of investment return
- Foreign Service Provision
- Reputational risk
- Government policy & compliance with legislation and regulation

**Trustees' responsibilities in relation to the financial statements** – The trustees, who are also directors of Diabetes Research and Wellness Foundation 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 trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- 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 business.



The trustees are responsible for keeping proper 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.

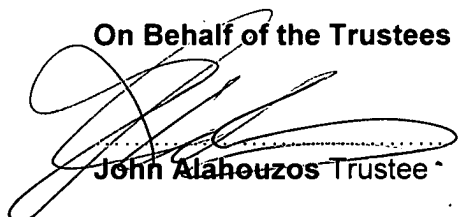
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors** – Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

**Small Company Exemption** – This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Trustees



John Alahouzos Trustee

23/8/2019  
Dated

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIABETES RESEARCH AND WELLNESS FOUNDATION**

### **Opinion**

We have audited the financial statements of Diabetes Research and Wellness Foundation ('the company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 FRS 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 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 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, except to the extent otherwise explicitly stated in our report, 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 set out on page 25, 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**

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 charitable 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 statements 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 charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
 .....  
**Neil Finlayson** (Senior Statutory Auditor)  
 for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 23/8/2019

Devonshire House  
 60 Goswell Road  
 London  
 EC1M 7AD

**Diabetes Research and Wellness Foundation**  
**Statement of Financial Activities (Incorporating the Summary Income and Expenditure Account)**  
**For the year ended 31 December 2018**

		Unrestricted Funds £	Restricted Funds £	2018 TOTAL £	Unrestricted Funds £	Restricted Funds £	2017 TOTAL £
<b>Income</b>	<b>Note</b>						
Donations and Legacies	2	1,417,827	15,141	1,432,968	1,928,020	6,604	1,934,624
Charitable Activities	3	733,808	-	733,808	1,246,043	-	1,246,043
Other Charitable Trading Activities	4	18,194	-	18,194	19,623	-	19,623
Investments		22,207	-	22,207	2,821	-	2,821
Income from Charitable Activities		2,192,036	15,141	2,207,177	3,196,507	6,604	3,203,111
Other Income	5	1,255	-	1,255	1,542	-	1,542
<b>Total Income</b>		<b>2,193,291</b>	<b>15,141</b>	<b>2,208,432</b>	<b>3,198,049</b>	<b>6,604</b>	<b>3,204,653</b>
<b>Expenditure On:</b>							
Raising Funds	6	249,150	-	249,150	239,808	-	239,808
Charitable Activities	7	2,133,022	41,618	2,174,640	2,666,232	87,699	2,753,931
Other		-	-	-	-	-	-
		<b>2,382,172</b>	<b>41,618</b>	<b>2,423,790</b>	<b>2,906,040</b>	<b>87,699</b>	<b>2,993,739</b>
<b>Net Income</b>		<b>(188,881)</b>	<b>(26,477)</b>	<b>(215,358)</b>	<b>292,009</b>	<b>(81,095)</b>	<b>210,914</b>
<b>Transfer between Funds</b>	20	-	-	-	-	-	-
<b>Net Movement in Funds</b>		<b>(188,881)</b>	<b>(26,477)</b>	<b>(215,358)</b>	<b>292,009</b>	<b>(81,095)</b>	<b>210,914</b>
<b>Total Funds brought forward</b>		<b>3,646,465</b>	<b>29,347</b>	<b>3,675,812</b>	<b>3,354,456</b>	<b>110,442</b>	<b>3,464,898</b>
<b>Total funds carried forward at 31 December 2018</b>		<b>3,457,584</b>	<b>2,870</b>	<b>3,460,454</b>	<b>3,646,465</b>	<b>29,347</b>	<b>3,675,812</b>

There were no recognised gains or losses other than the deficit reported for the financial year. All activities in the year relate to continuing operations.

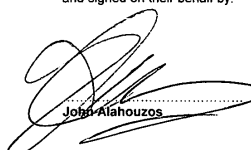
The accompanying notes form an integral part of these financial statements.

**Diabetes Research and Wellness Foundation**  
**Balance Sheet**  
**As at 31 December 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed Assets</b>					
Tangible Assets	16		1,719		3,439
<b>Current Assets</b>					
Debtors	17	145,940		582,589	
Cash at bank and in hand		<u>3,620,592</u>		<u>3,547,801</u>	
		3,766,532		4,130,390	
<b>Creditors : Amounts falling due within one year</b>	18	<u>(307,797)</u>		<u>(458,017)</u>	
<b>Net Current Assets</b>			<u>3,458,735</u>		<u>3,672,373</u>
<b>Total Net Assets</b>			<u><u>3,460,454</u></u>		<u><u>3,675,812</u></u>
<b>Reserves</b>					
Restricted Fund	20		2,870		29,347
General Reserve	20		<u>3,457,584</u>		<u>3,646,465</u>
			<u><u>3,460,454</u></u>		<u><u>3,675,812</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the companies Act 2006 and with the Financial Reporting Standard FRS 102 SORP (effective January 2015)

The financial statements were approved, and authorised for distribution, by the Trustees on 23/8/2019 and signed on their behalf by:

 Trustee  
John Alahouzos

The accompanying notes form an integral part of these financial statements

Company number: 03496304

**Diabetes Research and Wellness Foundation**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

	Note		2018 £		2017 £
Cash used in Operating Activities	24		52,174		(275,392)
Cash Flows from Investing Activities		Interest on Bank Deposit	22,207	2821	
		Fixed Assets	<u>(1,590)</u>	<u>-</u>	2,821
Cash Flows from Financing Activities			-		-
Change in cash and cash equivalents in the year			<u>72,791</u>		<u>(272,571)</u>
Cash and cash equivalents brought forward 1st January			3,547,801		3,820,372
Cash and cash equivalents at 31st December			<u>3,620,592</u>		<u>3,547,801</u>



**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**1 Accounting Policies**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit company for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donations income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Critical accounting estimates and areas of judgement**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

The principal accounting policies of the company are set out below:

**Income**

Income is included on an accruals basis except that donations under gift aid together with the associated income tax recoveries are credited as income when the donations are received. Membership Subscriptions are apportioned across the membership subscription period.

**Legacies**

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

**Public Donations and Gifts-in-Kind**

Incoming resources in the form of Gifts-in-Kind are included in the Statement of Financial Activities only when assets donated to the charity are distributed. Gifts-in-Kind are donations of commodities directly usable in charitable programmes, such as food, blankets, books, agricultural and medical supplies. The Charity has an internationally recognised and accepted monitoring programme in place to ensure that commodities are appropriately valued at wholesale or less, culturally appropriate for the designated programme, and can be both properly shipped and distributed gratis to the designated beneficiaries.

**Gift Aid Repayments**

Income from gift aid repayment claims is only included for claims which have been submitted for tax periods ending on or before the year end and when the receipt of this income is certain.

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**1 Accounting Policies (continued)**

**Expenditure**

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the effort to raise voluntary contributions (cost of generating funds);
- expenditure incurred directly to the fulfilment of the charity's objectives (charitable expenditure);

Charitable expenditure comprises all the expenditure incurred by the charity in meeting its charitable objectives and is further analysed between:

- grants payable in the furtherance of the charity's objectives
- costs of activities in furtherance of the charity's objectives
- support costs of the charity

**Cost Apportionment**

Where items of expenditure involve more than one cost category these costs have been apportioned on a reasonable basis as determined by the trustees. One particular area where the cost is material to the charity is in the production and distribution of direct mailings.

One of the purposes of the mail shot is to develop a database of names of people with a particular interest in the activities of the charity and its charitable objects. It is held that individuals who make a £10 or greater donation, in response to the mailing, have a degree of interest in diabetes. They are interested because they suffer from diabetes, know somebody who does or could themselves be at risk of developing the condition. These are precisely the people whom the charity is trying to help and consequently they receive the benefits of the educational material provided by the charity. These high interest individuals constitute 25% of the total responses; so the charity allocates 25% of the cost of the mailing to costs in furtherance of the charity's objects.

Furthermore the remaining expenditure has been allocated on the basis of whether the educational content of the individual mailing is significantly high enough so as to be material. When this holds true the remaining cost of the mailing is allocated on a pro-rata basis comparing the educational content (costs in furtherance of the charity's objects) to the fund raising content (costs of generating funds). The educational content is determined by the amount of text and space on each mailing that is dedicated to material of an educational nature.

Telemarketing expenditure is allocated in a consistent manner with mailings, as described above, hence the charity allocates 25% of the cost of the telemarketing calls to costs in furtherance of the charity's objectives, with the remaining expenditure allocated on the basis of whether the time spent during the telephone call is in accordance with the charity's objects or otherwise.

Fund raising expenditure i.e. Text that may induce a donation from the recipient, is allocated upon the basis of the volume of the text and space that is not related to text of an educational nature.

Support costs comprise all other overhead costs for the running of the charity as an organisation.

**Fund Accounting**

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. The aim and use of each fund is set out in the notes to the financial statements.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Restricted funds are donations received from a donor who has specified a particular area of the charity's work to which the donation should be allocated.

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**1 Accounting Policies (continued)**

**Grants Payable**

Grants are recognised when they become due for payment. Included within the Statement of Financial Activities is the cost of grant instalments that are payable to charitable organisations / individuals in accordance with the charity's governing instruments, together with any grants payable for the year, but not paid by the year end date. The value of grants awarded which are subject to the completion of a future year's performance is disclosed as a Financial Commitment in Note 18.

**Tangible Fixed Assets and Depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets held for charity use by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Office equipment, fixtures and fittings	5-7 years straight line
---	-------------------------

All tangible fixed assets costing more than £250 are capitalised at their cost to the charity.

**Foreign Currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

**Leasing Commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease

**Other Financial Instruments**

**i. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

**ii. Debtors and Creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

2	Donations and Legacies	2018 £	2017 £			
	Donations	984,957	946,649			
	Lottery Programme	2,986	-			
	Legacies Received	445,025	987,975			
		<u>1,432,968</u>	<u>1,934,624</u>			
	Included in the above are restricted donations of £15,141 (2017: £6,604)					
3	Charitable Activities	2018 £	2017 £			
	Grants Received	32,743	85,166			
	Gifts in Kind (see Note 9)	608,155	1,046,470			
	Gift Aid Receipts	92,910	114,407			
		<u>733,808</u>	<u>1,246,043</u>			
4	Other Charitable Trading Activities	2018 £	2017 £			
	Membership Subscriptions	14,851	14,851			
	Event Fees and Sponsorship	3,343	3,288			
		<u>18,194</u>	<u>18,139</u>			
5	Other income	2018 £	2017 £			
	Book Sales	-	360			
	Royalties Received	-	53			
	Registration Fees	58	25			
	Miscellaneous Income	1,197	1,104			
		<u>1,255</u>	<u>1,542</u>			
6	Fund Raising	2018 £	2017 £			
	Caging	125,897	113,720			
	Carriers	2,042	1,964			
	Computer Charges	4,406	6,642			
	Lettershop and Data	1,711	1,237			
	Postage and Shipping	25,011	23,359			
	Printing	1,507	1,940			
	Publicity	3,501	3,721			
	Marketing Costs	4,685	10,303			
	Telemarketing	-	-			
	Mail Pack Premiums	17,396	19,197			
	Lottery Costs	9,783	-			
	Staff Costs (see Note 12)	38,711	42,925			
	Sweepstake Winners	14,500	14,800			
		<u>249,150</u>	<u>239,808</u>			
7	Charitable Activities	2018 Direct Expenditure (Note 10) £	2018 Grants Awards (Note 8) £	2018 Gifts in Kind (Note 9) £	2018 Support Costs (Note 11) £	2018 Total £
	Research into the Relief of Diabetes	-	472,873	-	311,195	784,068
	Relief of Persons with Diabetes	-	-	608,155	10,980	619,135
	Raising Public Awareness of Diabetes	771,437	-	-	-	771,437
		<u>771,437</u>	<u>472,873</u>	<u>608,155</u>	<u>322,175</u>	<u>2,174,640</u>
		2017 Direct Expenditure (Note 10) £	2017 Grants Awards (Note 8) £	2017 Gifts in Kind (Note 9) £	2017 Support Costs (Note 11) £	2017 Total £
	Research into the Relief of Diabetes	-	632,591	-	331,379	963,970
	Relief of Persons with Diabetes	-	-	1,046,470	12,279	1,058,749
	Raising Public Awareness of Diabetes	731,212	-	-	-	731,212
		<u>731,212</u>	<u>632,591</u>	<u>1,046,470</u>	<u>343,658</u>	<u>2,753,931</u>

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

8 Grant Awards	2018	2017
	£	£
	-	
University of Exeter Medical School - Non Clinical Fellowship 2014	-	52,674
Imperial College - J S Earl Clinical Award 2015	-	64,358
University of Bristol - Non Clinical Fellowship 2016	59,925	59,925
University of Edinburgh - Non Clinical Fellowship 2016 - Dr Marques de Lima	-	59,996
Imperial College London - 2017 Pump Priming Award	-	20,000
University of Dundee - 2017 Pump Priming Award	-	19,664
University of Dundee - 2017 Pump Priming Award	-	19,859
University of Leeds - 2017 Pump Priming Award	-	19,998
University of Cambridge - 2017 Pump Priming Award	-	19,860
Cardiff University - 2017 Pump Priming Award	-	9,089
Kings College London - 2017 Pump Priming Award	-	19,973
University of Oxford	151,042	150,828
University of Exeter Medical School - 2018 Pump Priming Award	20,000	-
University of Exeter Medical School - 2018 Pump Priming Award	18,581	-
King's College London - 2018 Pump Priming Award	17,782	-
King's College London - 2018 Pump Priming Award	20,000	-
Cardiff University - 2018 Pump Priming Award	19,550	-
University of Lincoln - 2018 Pump Priming Award	19,170	
Diabetes Research and Wellness Foundation Inc.	128,617	130,823
Diabetes Research and Wellness Foundation Inc. re University of Minnesota	-	39,706
Association pour la Recherche sur la Diabete	876	-
Diabetes Wellness Network Canada	-	-
Imsamingsstiftelsen Diabetes Wellness Network Sverige re Lund University - Norway	42,924	
	498,467	686,753
Less: Unclaimed grants written back	(25,594)	(54,162)
	<u>472,873</u>	<u>632,591</u>

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**9 Gifts-in-Kind**

The following donations made during the year were claimed as Gifts-in-Kind and are valued in accordance with current market conditions prevailing when the gift was made.

	Number of Shipments	Gifts-in-Kind value	Shipping Costs	2018 Total	2017 Total
Central America	1	608,155	10,980	619,135	1,058,749
		<u>608,155</u>	<u>10,980</u>	<u>619,135</u>	<u>1,058,749</u>

**10 Direct Charitable Expenditure**

	2018 £	2017 £
Staff Costs (see Note 12)	288,082	276,463
Postage	194,968	183,157
Printing	72,752	61,082
Publicity	13,200	14,635
Mail Pack Premiums	152,158	167,907
Lottery Costs	14,160	-
Telemarketing	-	-
Carriers	17,859	17,179
Grant Costs	5,846	3,589
Lettershop and Data	12,412	7,200
	<u>771,437</u>	<u>731,212</u>

**11 Support Costs**

	2018 £	2017 £
Other Staff Costs	4,965	5,772
Professional Costs	17,452	16,783
Management Charge	90,184	92,389
Office Expenses	78,026	54,097
Establishment Expenses	28,419	32,514
Bank Charges and Interest Paid	- 13,200	2,305
Foreign Exchange (Loss)	329	6,347
Provision for Bad Debts	-	(397)
Depreciation	3,310	3,088
Irrecoverable VAT	50,767	46,667
Amounts paid to Auditors	13,090	12,645
Company Secretarial Fees	350	350
Board Meeting Expenses & Trustee Expenses	7,055	10,301
Other Overhead Costs	30,448	48,518
	<u>311,195</u>	<u>331,379</u>

Support Costs are allocated to the Charitable expenditure of the charity in proportion to the direct cost of the activity

**12 Wages and Salaries**

	2018 £	2017 £
Wages and Salaries	294,176	287,670
Social Security Costs	22,522	22,698
Pension Costs	10,096	9,020
	<u>326,794</u>	<u>319,388</u>

The key management personnel of the charity are the Trustees and the CEO. The total amount paid to key management personnel was £68,305 (2017: £67,453) including Employers NIC of £6,948 (2017:£6,977) and Pension Costs of £2,642 (2017: £1,761).

No employee received a salary of more than £60,000 during the year (2017: Nil).

The average number of full-time equivalent employees during the year was 9 (2017: 8).

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**13 Payments to Trustees**

No trustee or person with a family or business connection with a trustee, received remuneration in the year, directly or indirectly, from the charity.

Trustee Expenses for Travel and Meeting Costs were £7,079 (2017: £11,082) of which £NIL (2017: £4,063) was reimbursed directly to 0 (2017: 3) Trustees.

<b>14 Surplus of Income over Expenditure</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
The surplus of income over expenditure is stated after charging:		
Auditors' Remuneration:		
- Audit Fee relating to the Financial Year	13,090	12,645
- In respect of non audit services	6,061	3,469
Operating Lease rentals		
- Plant & Machinery	2,709	2,150
- Other Assets	21,736	20,500
Foreign Exchange Loss	329	6,347
Depreciation	<u>3,310</u>	<u>3,088</u>

**15 Taxation**

The company, being a registered charity, is not liable for corporation tax in respect of its operations for the year.

**16 Tangible Fixed Assets for Charity Use**

	<b>Office equipment, fixtures and fittings</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2018	32,350
Additions in Year	1,595
Disposals in Year	<u>(1,362)</u>
At 31 December 2018	<u>32,583</u>
<b>Depreciation</b>	
At 1 January 2018	28,911
Provided in the year	3,310
Eliminated on Disposal	<u>(1,357)</u>
At 31 December 2018	<u>30,864</u>
<b>Net Book Value</b>	
31 December 2018	<u>1,719</u>
At 31 December 2017	<u>3,439</u>

<b>17 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade Debtors	50	230
Other Debtors	30,019	58,407
Prepayments and Accrued Income	115,871	523,952
	<u>145,940</u>	<u>582,589</u>

All Debtors except prepayments are financial instruments and are measured at settlement value

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**18 Creditors : Amounts falling due within one year**

	2018 £	2017 £
Trade Creditors	41,663	96,007
Grants Payable (see below)	206,603	243,785
Accruals and Deferred Income	47,214	107,101
Tax and Social Security	9,164	9,245
Other Creditors	3,153	1,879
	<u>307,797</u>	<u>458,017</u>

Included within other creditors is a pension creditor of £1,766 (2017: £1,250)

All Creditors except deferred income are financial instruments and are measured at settlement value

Reconciliation of Grants Payable:

Commitments at 1 January 2018	243,785	332,438
Grants Payable for the Year (see Note 8)	472,873	632,591
Grants Paid during Year	<u>(510,055)</u>	<u>(721,244)</u>
	<u>206,603</u>	<u>243,785</u>

In addition to the amounts committed and accrued noted above, the trustees have also authorised the continuation of certain grants which are subject to the recipient fulfilling certain conditions. The details of these further commitments can be found in Note 22.

**19 Deferred Income**

	2018 £	2017 £
Deferred Income B/FWD 1st January 2018	36,417	117,790
Released to Income in Year	(36,417)	(95,047)
Income Deferred In Year	8,413	13,674
Deferred Income C/FWD 31st December 2018	<u>8,413</u>	<u>36,417</u>

Deferred Income comprises:

- Newsletter Membership Subscriptions which are renewable annually on a rolling 12 monthly basis
- Event Registration Fees received in advance of the event taking place
- Restricted Grants Received that will not be utilised until future periods



**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**20 Reserves**

	Balance at 1 January 2018	Transfer from General Reserve In Year	Income in Year	Expenditure in Year	Net Movement in Year	Balance at 31 December 2018
	£	£	£	£	£	£
Restricted Fund relating to Oxford Grants	22,743	-	-	(22,743)	(22,743)	-
Restricted Fund relating to The Big Give Christmas Challenge	6,604	-	5,141	(8,875)	(3,734)	2,870
Restricted Fund relating to 2018 Educational Support Events (Beefys Charity Foundation)	-	-	10,000	(10,000)	-	-
General Reserve	3,646,465	-	2,193,291	(2,382,172)	(188,881)	3,457,584
	<u>3,675,812</u>	<u>-</u>	<u>2,208,432</u>	<u>(2,423,790)</u>	<u>(215,358)</u>	<u>3,460,454</u>
	Balance at 1 January 2017	Transfer from General Reserve In Year	Income in Year	Expenditure in Year	Net Movement in Year	Balance at 31 December 2017
	£	£	£	£	£	£
Restricted Fund relating to Oxford Grants	107,909	-	-	(85,166)	(85,166)	22,743
Restricted Fund relating to The Big Give Christmas Challenge	2,533	-	6,604	(2,533)	4,071	6,604
General Reserve	3,354,456	-	3,198,049	(2,906,040)	292,009	3,646,465
	<u>3,464,898</u>	<u>-</u>	<u>3,204,653</u>	<u>(2,993,739)</u>	<u>210,914</u>	<u>3,675,812</u>

In late 2014 a donation of £300,531 had been received from an anonymous donor to specifically to assist with the funding of two of the Oxford University Grants commencing on 1st May 2015. This is being allocated against the Grants as the expenditure is incurred. During the year £22,743 was expended (2017: £85,166). As at 31st December 2017 there is remaining balance was £NIL.

During the year the charity participated in the Big Give Christmas Challenge 2018 to raise funds for the 2019 programme of Educational Events. The total received in the year was £2,870 (2017 £6,604).

Net Assets by Fund	Unrestricted £	Restricted £	Total £
Tangible Assets	1,719	-	1,719
Current Assets	3,763,662	2,870	3,766,532
Current Liabilities	(307,797)	-	(307,797)
	<u>3,457,584</u>	<u>2,870</u>	<u>3,460,454</u>

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**21 Payments to Connected Charities**

Connected Charity	Nature of Relationship	2018		2017		Nature of Transactions
		£ Total transactions in the year	£ Balance at the year end	£ Total transactions in the year	£ Balance at the year end	
Diabetes Research and Wellness Foundation Inc.	1	90,184	-	92,389	-	Management charges in relation to the sharing of articles and staff.
Diabetes Research & Wellness Foundation Inc.	1	128,617	-	130,823	-	This grant was made for the funding of the Spring Point Project, which is based in the USA and is engaged in research to address the prolonged reversal of diabetes by providing a safe sustainable source of islet cells for human transplant to improve the lives of people with Type 1 diabetes.
Diabetes Research & Wellness Foundation Inc.	1	-	-	39,706	-	This grant was made for the funding of the development by Minnesota University of a clinically applicable immunosuppressive protocol.
Association pour la recherche sur la diabete	2	876	-	-	-	This grant was made to assist with the funding of the Association's awareness and educational programmes.
Diabetes Wellness Network Canada	3	-	-	-	-	This grant was made to assist in the funding of the Network's set up costs.
Insamlingsstiftelsen Diabetes Wellness Network Sverige re Lund University - Norway	4	42,924	-	-	-	This grant was made as part of a 2 year collaborative co-funded grant in respect of the funding of a project at Lund University in Norway.

**Nature of Relationships**

- 1 Diabetes Research and Wellness Foundation Inc. is completely separate and independent with no legal connections, but Mr. John Alahouzos sit on the Board of Trustees of the associated charity in the United States.
- 2 Association pour la recherche sur la diabete is completely separate and independent with no legal connections, but Mr W.M. Gretscher, Mr J. Alahouzos and Mr J. Harab sit on the Board of Trustees of the associated charity in France.
- 3 Diabetes Wellness Network Canada is completely separate and independent with no legal connections, but Mr W M Gretscher and Mr J Alahouzos also sit on the Board of Trustees of the associated charity in Canada.
- 4 Insamlingsstiftelsen Diabetes Wellness Network Sverige is completely separate and independent with no legal connections, but Mr W M Gretscher and Mr J Alahouzos also sit on the Board of Trustees of the associated charity in Sweden.

Further details regarding the relationship can be found in the Trustees Report.

**Diabetes Research and Wellness Foundation**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 December 2018**

**22 Financial Commitments**

The charity has financial commitments of £774,603 (2017: £566,712) for grants authorised but not accrued as expenditure for the year ended 31 December 2018, as they are subject to the recipient fulfilling certain conditions. The amounts payable are as follow:

	2018 £	2017 £
Payable in 2019	473,162	405,130
Payable in 2020	212,582	132,152
Payable in 2021	88,859	29,430
Payable in 2022	-	-
	<u>774,603</u>	<u>566,712</u>

**23 Operating Leases**

At 31st December 2018, the charity has commitments under operating leases as follows:

	2018 £ Within one Year	2018 £ Two to Five Years	2017 £ Within one Year	2017 £ Two to Five Years
Land and Buildings	18,667	50,168	20,500	2,808
Other Assets	3,069	6,371	1,600	705
Total	<u>21,736</u>	<u>56,539</u>	<u>22,100</u>	<u>3,513</u>

During the year the charity moved its business office and Registered Office to new premises.  
The new lease commenced on the 9th October 2018 with a term of six years at a rent of £28,000.25p per annum.  
The lease includes a break clause allowing the tenant to terminate after three years.  
The lease provides for two discounted periods of 10 months each during which the rent payable is reduced by 50%.

**24 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities**

	2018 £	2017 £
Net Movement in Funds - Surplus/(Deficit)	(215,358)	210,914
Add back Depreciation Charge	3,310	3,088
Deduct Interest Income shown in Investing Activities	(22,207)	(2,821)
Decrease (Increase) in Debtors	436,649	(363,335)
Increase (Decrease) in Creditors	(150,220)	(123,238)
Net Cash used in Operating Activities	<u>52,174</u>	<u>(275,392)</u>

**25 Members' Liability**

The Foundation is a company limited by guarantee. On the event of winding up, the member's (5) (2017 - 5) liability is limited to £1.