

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

Charity Number: 1070607
Company Number: 03496304

Financial Statements

For the year ended

31 December 2017

FRIDAY



A7ALARYX

A16

20/07/2018

#20

COMPANIES HOUSE

Diabetes Research and Wellness Foundation

Index

	Page
Report of the Trustees	1 to 31
Independent Auditors' Report	32 to 34
Statement of Financial Activities	35
Balance Sheet	36
Statement of Cash Flows	37
Notes to the Financial Statements	38 to 46



Diabetes Research & Wellness Foundation

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

Report & Financial Statements

For the year ended 31 December 2017

Registered Charity Number: 1070607

Company Number: 03496304





**Diabetes Research &
Wellness Foundation**

Report of the trustees for the year ended 31st December, 2017

The trustees are pleased to present their report together with audited financial statements for the year ended 31st December 2017.

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 1st January 2015).

Message from the Chairman –

DRWF was first founded in 1993 to represent the diabetes patient community in the United States of America. DRWF UK was subsequently incorporated in 1998 and further groups established in France, Sweden and Finland, with a recently incorporated group in Norway. Whilst there is no legal connection between any of the groups, we have an overlap in board members to ensure a consistency of mission and to enable information sharing for awareness raising and research funding purposes.

All active groups are funding what we call ‘fast-track research’ which we believe will lead to benefits for people with diabetes in the shortest time frame. Our long-term multi-year funding commitments, such as Fellowships and Institutional awards, aim to find a cure for those who have battled this disease for many years. We have engaged Research Advisory Boards which enables us to draw on multi-disciplinary expertise to ensure that we’re funding the best possible research in line with our research strategy.

Diabetes, and its associated health conditions, requires collective solution finding and working collaboratively with other DRWF groups around the world strengthens our financial commitment, builds capacity, and ultimately increases the potential for the work we fund to bear fruit.

DRWF was set up by parents of children with type 1 diabetes, diabetes healthcare professionals and friends and family of people with diabetes, so we know first-hand the challenges and burdens that this debilitating and increasingly prevalent condition brings not only to the person diagnosed, but to the network of people around them.

In the UK, the NHS is spending about 10% of its annual budget on treating diabetes and its associated complications. That is a mind boggling £10 billion a year or £1 million an hour and much of this cost is attributed to treating complications that can often be prevented.

Our strapline of *‘staying well until a cure is found...’* underpins our research funding and delivery of our information and educational events. Whilst we’re funding in many cases “one of a kind” research in the UK and around the world, we are also providing authoritative, relevant and clinically evidenced patient information with the aim of supporting a pro-active



**Diabetes Research &
Wellness Foundation**

approach to good self-management, which has been shown to reduce the risk of associated complications.

We were delighted in 2017 to receive not only a 'highly commended' Quality in Care Diabetes award in the 'empowering people with diabetes in self-management' category, but to scoop the Judges Special Award from all categories for an educational programme that demonstrated real impact for beneficiaries. It is important to us to know that we are delivering real value to the people we support and this award gave us a real boost, at a time when the charity, and particularly fundraising, landscape is ever more challenging.

I would like to thank our supporters for their continued commitment to our work. We exist largely on voluntary income and so individual donations and community fundraising initiatives play a crucial part in our income generation. It's sometimes hard to envisage how making a donation today can reap benefits for people with diabetes in the future particularly as research can take many years to come to fruition. But we are intent on maximizing potential and endeavour to support work that will provide clinical benefit in the shortest timeframe. We have certainly seen success in this respect from our commitment to supporting islet transplant and research at the Churchill Hospital, Oxford and within the UK Islet Transplant Consortium. More information can be found on this and all of our research funding commitments on our website www.drwf.org.uk/funded-research

The prevalence of both Type 1 and Type 2 diabetes continues to increase at an alarming rate and this makes us more determined than ever to make our work count!

We are investing in a brighter future for people living with all forms of diabetes and have our supporters to thank for making this possible.

Mike Gretschel
Chairman

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

DRWF was established to support people living with, and at risk of, all types of diabetes but predominantly type 1 and type 2 diabetes. We do this by promoting research into the conditions around cause, treatment, management of related complications and ultimately, a cure. Whilst this research is ongoing, we raise awareness to the risks and symptoms of type 1 and type 2; the differences between the two conditions in order to prevent where possible or facilitate early diagnosis; and to provide people living with both conditions, the information and support necessary to self-manage effectively, reduce the risk of associated complications and overall, to ensure that they are *'Staying well until a cure is found...'*

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.

The strategies adopted to achieve the charity's objectives in 2017 were –

- Conduct 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, both to existing supporters and to a wider audience of prospective beneficiaries and stakeholders
- Distribution of FREE diabetes awareness necklaces, diabetes awareness/medical check-up cards in order to raise awareness to diabetes and its related complications; support a proactive self-care approach and encourage those who may be at risk to take preventative action, where possible
- Expand the distribution of DRWF patient information leaflets via diabetes and related healthcare professionals working in primary, secondary and community care environments
- Maintain NHS England Information Standard accreditation to demonstrate commitment to producing high quality health and social care information
- Engage in user involvement activities in the development of patient information and educational event programmes to ensure quality, relevance, accessibility and usefulness
- Undertake 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
- Develop the annual programme of educational events by working collaboratively with like-minded groups to support, as much as possible, all aspects of diabetes and related health making them accessible to as wide an audience as possible
- Develop 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
- Develop 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
- Review and develop our annual research funding round; increase engagement with RAB members and explore ways of measuring and demonstrating impact from funded projects



- Develop our community fundraising activities and increase volunteer engagement in awareness, support and fundraising activities to widen our reach; encourage user involvement and provide a more robust income stream
- Explore 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

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 guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims, objectives and activities and know of no detriment or harm that may be caused as a result of these activities.

The charity exists to directly benefit more than 3.8 million people with type 1 & type 2 diabetes in the UK. There is a further benefit to the global diabetes population from the charity's funding of medical research into the condition. DRWF was founded by the parents of children living with type 1 diabetes and has remained true to its purpose through its activities since inception in 1998.

DRWF believes that the benefits of medical research should not be restricted and that all people with diabetes should have access to new treatment; good quality, timely care, and support in their self-management techniques via quality information and education, irrespective of location.

Gift in Kind activities demonstrate the desire to ensure that those in underdeveloped areas of the world have access to essential diabetes and related health medicines where they are otherwise not readily available.

DRWF offers its information and educational support services in a number of ways. NHS England Information Standard accredited patient information leaflets are distributed free of charge to members of the public and healthcare professionals in support of their patients. These resources can also be downloaded via the charity website in both pdf and audio format.

Diabetes Awareness Necklaces and medical record cards are distributed free of charge on request. These items are important for awareness raising in case of emergency and to support a proactive approach to self-care which accounts for around 90% of all diabetes care, in the main.



Diabetes Research & Wellness Foundation

A programme of Diabetes Wellness events are offered throughout the year, all of which are focused on providing the tools and skills necessary to meet the challenges that living with a chronic long-term condition can present on a daily basis. DRWF works with diabetes and related healthcare professionals in primary, secondary and community care to facilitate interactive educational workshops which inform, empower and support individuals within a relaxed and like-minded group. Sharing life and diabetes related experiences with those in a similar position is often very encouraging, inspiring and motivating and can help facilitate and sustain behavioural change.

The Diabetes Wellness News is our monthly newsletter available on subscription, with a sliding scale of charges for individual/family/junior/reduced (retired, disabled, un-waged). The newsletter is available in alternative formats for those who require it. Complimentary copies are provided to diabetes and other healthcare professionals to display in their waiting rooms for patient reference.

The charity E-Newsletter is distributed free of charge and links directly into the DRWF website which is a multi-purpose site offering access to latest news, research funding updates and free diabetes information downloads. The site is focused on creating a sense of community where people can access information and support in whatever way suits them best.

DRWF believes that access to good quality information at key stages throughout an individuals' long-term condition is essential to promote and support an effective self-care approach.

As a small team of less than a dozen staff 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. What we do know, is that 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 which enables us to successfully deliver our many activities.

Achievements & Performance in 2017 –

Awareness, information & support – Diabetes continues to escalate globally with around 425 million people currently affected by the condition. This equates to 1 in 11 adults. Around 90% of those diagnosed have type 2 diabetes and it is estimated that 1 in 2 adults are yet to be diagnosed. Over 1 million children and adolescents have type 1. It is estimated that by 2040 1 in 10 adults will be affected, increasing to around 642 million people. Further,



1 in 6 births is affected by hyperglycaemia in pregnancy and every 6 seconds, a person dies from diabetes.

In the UK, there are more than 3.8 million people diagnosed with diabetes and it is estimated that there are around a further 500,000 adults with type 2 diabetes, who don't yet know it. 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.

All people with diabetes, aged 12 years and over, should receive each of the nine NICE recommended care processes annually. It is also recommended, on diagnosis, that they attend a structured education programme. However, it is reported that fewer people with Type 1 than with Type 2 and other diabetes receive their annual checks. NICE recommends treatment targets for HbA1c (glucose control), blood pressure and cholesterol with the aim of reducing all diabetes related complications and over the last four years improvements have been seen in the combined 3 treatment target achievement in both Type 1, Type 2 and other diabetes.

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.

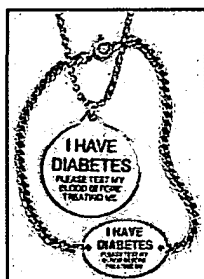
Supported self-management through the Diabetes Wellness Network underpins all of the information and educational events that DRWF offers throughout the year. During the year, we continued to raise awareness via multi-media channels with consistent messaging to differentiate between type 1 and type 2 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 362,000 direct mail campaigns in 2017 containing awareness information and calls to action. With a positive response from 15.5% of those mailed, we know that at least 55,500 people across the country read the information contained within the campaign. We know from years of 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. The volume of direct mail distributed in 2017 reduced



Diabetes Research & Wellness Foundation

significantly from the previous year due to a 4-month abstinence period, however the average response rate (across all campaigns) increased by 4.5%.



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. Around 8241 necklaces were distributed during the year to

diabetes and related health care professionals and those living with diabetes. This represents a 91% increase on the numbers distributed in 2016. Requests are now coming via the charity's website, DM programmes and social media channels, particularly Face Book.

"I am always scared that if I have a hypo, people won't know what it is, and won't know what to do. This necklace is fab!" N Kachhela

We publish a series of diabetes information leaflets that carry NHS England Information Standard accreditation. These resources are available free of charge. They can be down loaded from our website as pdf or audio files, or requested as printed copies. HCPs also request these leaflets in bulk to distribute within their clinics and surgeries. More than 41,715 leaflets were distributed during 2017. This is around 5% lower than the volume distributed in 2016. However, there were more than 6743 downloads of this information from our website over 6 months of the year. This volume represents a 10% reduction on the previous full year. We were unable to pull volumes for the full 12 months of 2017 as we transitioned between the use of Google Analytics and a bespoke dashboard system for measuring specific KPIs but we suspect that volumes would have been very similar to 2016.

More than 130,740 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. This is a 5% decrease on the previous year with the majority of this reduction due to 'deceased' notifications. The newsletter is circulated to paying subscribers and on a complimentary basis to healthcare providers. It is available in large print, audio format or alternative, on request. Overall, the paying subscribers to the DWN reduced by 6% in the year. Healthcare professionals receive the newsletter each month and they share the information with their patient communities, therefore it is difficult to accurately predict the true readership of the newsletter. The number of healthcare professionals on our HCP database during the year reduced by 3% on 2016 (118), leaving 4118 contacts at year end.



The newsletter carries 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. We were successfully audited on these

processes to maintain accreditation in 2017. This also extends to the provision of health and social care information within the 'Understanding Diabetes' and 'Living with Diabetes'



**Diabetes Research &
Wellness Foundation**

section of our website www.drwf.org.uk

“The quarterly diary provided with my monthly Diabetes Wellness News is so useful. It’s the first one that I’ve found with space enough to record my blood sugar levels and test results properly” G Scarett

Diabetes Wellness educational events – 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 which is zoned by theme covering health, technology, social networking and community support to ensure that delegates are provided with a holistic range of support with lots of sign-posting to other service providers so that they can access support in a way that best suits their needs.

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 an unhurried way.

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 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 2017, we held 3 events across the country accommodating more than 240 delegates.

The charity’s CEO was invited to present at the Diabetes UK Annual Professional Conference in March 2017 on the subject of ‘Diabetes Wellness Events – empowering people with diabetes in self-management’.



Quality in Care Award, Diabetes – We worked with Barnard Health Research Ltd to conduct a study into the benefits of support events in a more formalized and robust way in terms of impact on facilitators and associations with improved diabetes outcomes in line with NICE guidelines that focus on provision of evidence based practical advice, the important of education and diabetes related information including dietary advice, managing cardiovascular risk, managing blood glucose levels and identifying and managing long-term complications. Our view being, that providing an environment where the factors important to optimal diabetes outcomes are addressed in a relaxed, friendly and supportive way will result in increased awareness, improved knowledge and understanding about diabetes, improved self-efficacy and improved wellbeing. We used validated models such as the WHO-5 wellbeing index, the diabetes self-efficacy scale and the diabetes distress scale alongside questions specific to the event.

Abstract

Aim: to evaluate the short and longer-term impact of the DRWF Diabetes Wellness Day South on improving health behaviours and reducing diabetes-related burden for participants.

Methods: questionnaires were administered to all registered delegates assessing psychosocial aspects of living with diabetes and the impact of the event on knowledge of diabetes. Measures included the WHO-5, the Diabetes distress scale, the diabetes self-efficacy scale and bespoke questions assessing impact of sessions on diabetes knowledge from the day.

Results: 93 completed questions were returned representing a 38.3% response rate overall. Of these, 25.8% participants were living with T1 diabetes, 69.9% with T2 diabetes and 4 reported 'other'. All participants' data: mean age 63 years (range 26-86 yrs), mean diabetes duration 16 years (range 2 months - 58 yrs), 64.9% female. The most common treatment regimen was oral therapies 29% or multiple daily injections of insulin 26% with 41 of respondents reporting having diabetes related complications (43.6%) and approximately 59 (62.8%) having co-morbidities. Attendance for structured education was mixed with around 30% of adults with type 1 diabetes and almost half of adults with type 2 diabetes reporting not having attended a structured education course. Lack of understanding of basic targets remains concerning, particularly around weight, cholesterol and foot health risk score for people with type 1 diabetes and blood glucose targets, BMI and weight, blood pressure and cholesterol for adults with type 2 diabetes. There was a lack of confidence around exercise (n=44, 50%), diet (n=24, 27%) and reacting appropriately to 'out of range' blood glucose readings (n=24, 27%). By one and three months, post-event attendance, confidence had improved considerably in all areas. Prevalence of diabetes distress was low overall.

Conclusion: Similar to last year, participants reported that their attendance at the DRWF wellness events had a positive impact on their diabetes self-management, confidence and psychosocial functioning.



Using the knowledge we gained from this evaluation study, we submitted an application to the Quality in Care Diabetes Awards 2017, in the category of 'empowering people with diabetes to self-manage effectively'. We were duly shortlisted and received a high commendation in this category. The highlight of the awards ceremony, was winning the Judges Special Award from all entries received (76), regardless of category, for a project that the judges felt deserved national recognition and a platform to be shared with the wider diabetes community.

Judges said:

"DRWF has put together a brilliant education support programme with excellent outcomes. The events are clearly user focused, providing an opportunity for peer support and re-engaging those users who have missed out on a structured education. The programme offers huge value to future users and has great potential to reach other areas of the UK."



Diabetes Professional Care 2017 – DRWF was invited to participate in #DPC2017 – a professional conference for diabetes and related healthcare professionals. We were invited to be the registration sponsor, which gave DRWF fantastic exposure right at the entrance of the event and stand place alongside the Diabetes Village. The volume of healthcare professionals attending the event in its 2nd year, had increased significantly to more than 3000 across the two-day programme. We met with many existing contacts and were able to reach out to industry and healthcare professionals to promote the charity's Patient Information resources and educational event programme. A good relationship has been forged with the event organisers who have subsequently gone on to regularly engage with us both in support of fundraising efforts and in making introductions, which they believe will support the charity in its work. Additionally, we participated in the Chairing of sessions within the workshop stream and had a small handful of speakers allocated across the conference programme. Professor Barnard, member of the DRWF Research Advisory Board and Director of Barnard Health Research Ltd., provided insight into the evaluation work that was conducted on the DRWF Wellness Event programme; DRWF Research Manager, Dr Eleanor Kennedy was invited to speak on Emerging Diabetes Technology; DRWF funded researcher Dr Shivani Misra, gave an update on her research into misdiagnosis of diabetes in ethnic groups.

Gifts in Kind – Gifts in Kind are non-cash donations made to the charity, such as medical supplies, which the charity is then able to redistribute to other organisations who may benefit, where these medicines may not otherwise have been available or are in short supply. In 2017, we received one donation of type 2 diabetes and related health medicines with a wholesale value of approximately £1,046,470 (\$1.307m). These medicines were gifted onwards to our programme partner, Dominican Republic Instituto Dominicana de Accion



**Diabetes Research &
Wellness Foundation**

(IDAC) and subsequently enabled the treatment of diabetes and diabetic nephropathy in 1181 adults (485 aged 20-59 yrs and 696 aged 60+). The availability of these medicines enabled the continuation of treatment (90 days) which may otherwise not have been possible and provided for ongoing, follow-up treatment.

The administration and distribution costs of these medicines were approximately £12,279 (\$15,580) meaning that we were able to magnify the benefit of this cost, given the value of the original donation by 83.



PEER REVIEW AUDIT

2015

Research Funding Programme – We provide research grants to researchers whose work we consider to offer 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 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, member of the DRWF Research Advisory Board

Two calls for applications were advertised in 2017 – A 3-year Clinical Fellowship and a 1-year Pump Priming round with the following awards being allocated –

Sutherland-Earl Clinical Fellowship 2017

Pre-applications received – 7

Number of full applications requested – 3

Number of interviews held – 3

Award offered to: **Dr Julia Kenkre, Imperial College London £239,995 (over 2.5 years)**

Abstract: Bariatric surgery powerfully improves diabetic control, and is increasingly being used for the primary purpose of treating Type 2 diabetes Mellitus (T2DM), but this

improvement is inconsistent between patients. Only 40% undergoing Roux-en-Y gastric bypass (RYGB) surgery achieved complete diabetes remission using American Diabetes Association (ADA) criteria.

I propose a prospective study to profile patients' genetics, fat distribution and metabolic function prior to bariatric surgery and to relate this to remission of diabetes after surgery. Patients will be studied prior to and twelve months after bariatric surgery, including anthropometric measures, whole body DEXA to map body fat patterning, measure intra-abdominal fat and estimate liver fat content. The participants will be evaluated for metabolic function including measurements of their gut hormone response to a mixed meal stimulus. Finally, they will have genetic profiling, interrogating loci associated with fat partitioning, β -cell function and insulin resistance. This information will be used to develop a predictive model(s) for diabetes remission after bariatric surgery. Simulated data will be generated to further demonstrate the performance of the predictive model under different scenarios. To validate and refine the model, a prospective validation study (beyond this initial study's scope) will be conducted in larger numbers.

The ultimate goal of this project will be to formulate a predictive model that can be used by clinicians and patients to predict the probability of diabetes remission after bariatric surgery. This is vital to ensure that surgery is targeted to those that need it most, and to ensure that clinicians and patients have the proper information for informed consent prior to surgery.

This study fits in closely with ongoing work in the Division to profile and study prospectively the effects of bariatric surgery on metabolism, and benefits from the infrastructure already set up for this work.

2018 Pump Priming Awards

Number of applications received – 33 **Total amount requested: £115,083**

Six awards were offered (18%) to:

Dr Elisa De Franco – University of Exeter Medical School £20,000

Project: New insights into development and function of human beta-cells by gene discovery in early-onset diabetes

Lay Summary: We need to understand more about how the insulin-producing beta-cell works. One good way to do this is to study patients who get diabetes because they do not make insulin as a result of a single spelling mistake in one word of their whole library of books of genetic information (monogenic diabetes). These patients are likely to develop diabetes when young.

We will look for the genetic cause of diabetes in patients diagnosed between 6-12 months using two recently available tools:

- 1) a test which allows us to select patients likely to have monogenic diabetes, this is called a genetic risk score;
- 2) whole-genome-sequencing which allows us to analyse the entire human DNA to identify the critical spelling mistakes in the genetic information.



Diabetes Research & Wellness Foundation

Using these tools we will identify the likely cause of diabetes in these children and confirm it in other patients. As we have already excluded the known causes of monogenic diabetes, this will be a new finding which will help us to understand the beta-cell better.

Dr James Bowe – King's College London £17,782

Project: A role for hypothalamic hormones in the islet adaptation to pregnancy

Lay Summary: During healthy pregnancy insulin sensitivity in the mother decreases and the insulin-secreting beta-cells in the islets of Langerhans release more insulin and increase in number to maintain normal blood glucose levels. Gestational diabetes mellitus (GDM) is a form of diabetes that occurs specifically during pregnancy and occurs when the maternal islets are unable to sufficiently compensate for the increased insulin resistance, though the mechanisms involved are currently poorly understood. Corticotropin releasing hormone (CRH) and growth hormone releasing hormone (GHRH) are two hormones that are primarily released from the hypothalamic area of the brain. They are responsible for controlling stress responses and growth respectively. Both hormones also have beneficial effects on the beta-cells, though the physiological reason for this is unknown. Levels of CRH and GHRH in the blood are low under most circumstances, but increase greatly during pregnancy due to release from the placenta. Thus, this project will investigate whether CRH and/or GHRH regulate beta-cell adaptation to pregnancy, and whether insufficient CRH or GHRH is linked to GDM.

Dr Paul Caton – King's College London £20,000

Project: Increasing beta-cell mass in type 2 diabetes: Does reduced NAD supply result in loss of beta-cell identity in T2D?

Lay Summary: Type 2 diabetes develops in part due to low levels of insulin release from pancreas. Previous work has shown that this can happen in type 2 diabetes because the insulin producing beta-cells change into different cell types, resulting in lower insulin secretion. This means that if we can learn how to stop beta-cells changing into other cells, or convert changed cells back to beta-cells, this could lead to the development of new drugs to treat or prevent type 2 diabetes.

This study will build on our previous work to investigate whether a particular factor, called NAD, plays an important role in stopping insulin producing cells converting into other cells. If successful, new approaches which boost levels of NAD could be used as drugs to treat or prevent type 2 diabetes.

Dr Kashyap Patel – University of Exeter Medical School £18,581

Project: Defining heterogeneity of clinically diagnosed adult-onset type 1 diabetes using genetic and islet autoantibodies

Lay Summary: Half of all type 1 diabetes develops in adulthood. Half of these patients are misdiagnosed and therefore potentially treated incorrectly. This is due to both lack of tools to confirm type 1 diabetes at diagnosis and overlapping features with other subtypes of diabetes (type 2 diabetes and monogenic diabetes, a rare familial diabetes due to mutation in a single gene). This study will analyse whether the combination of currently used blood tests (islet autoantibodies) and a new DNA-based tool (type 1 diabetes genetic risk score, T1D-GRS) can reduce misdiagnosis.



Diabetes Research & Wellness Foundation

We will measure the efficacy of these tools in 700 people with clinically diagnosed adult-onset type 1 diabetes (age at diagnosis 20-80 years). Genetic tests will be used to identify misdiagnosed monogenic diabetes. This study will provide a framework for the accurate diagnosis of adult-onset T1D in routine clinical practice. The study will also be the first to provide an estimate of misdiagnosed monogenic diabetes, resulting in patients getting the correct treatment and better care.

Dr Danijela Tatovic – Cardiff University £19,550

Project: Bringing immunotherapy for type 1 diabetes into the clinic: new windows into the immune response

Lay Summary: Type 1 diabetes (T1D) is caused when cells of the immune system called T-cells attack and destroy insulin producing cells in the pancreas. Monitoring of these pivotal immune cells is currently highly challenging as we cannot see what is happening in the pancreas. I have developed ways to monitor T-cell activity by studying organs called lymph nodes that act as 'stations' on the transport network that T-cells use to travel around the body. These lymph nodes provide a window into what is happening in the pancreas during disease and allow monitoring of events during clinical trials. The technique I developed involves the use of a very fine needle that is guided using ultrasound. I now wish to use it to monitor the T-cells responsible for killing insulin-producing cells using state-of-the-art technologies developed by my collaborators who are world leading experts in T-cells during T1D. This pump priming funding will allow me to establish important new collaborations aimed at monitoring T-cells during immunotherapy trials.

Dr Claire Hills – University of Lincoln £19,170

Project: Cx43 mediated regulation of the inflammasome, a therapeutic target in diabetic nephropathy

Lay Summary: Cells lining the surface of the small tubes of the kidney work together to ensure that appropriate function is maintained. However, in the diabetic kidney, these cells become bathed in high levels of sugar and associated stress molecules that affect kidney cell behavior. We have previously demonstrated that high sugar reduces stickiness between kidney cells, an event that impairs the way in which cells talk to each other, and ultimately affects their ability to work efficiently. More importantly, our preliminary studies suggest, that in kidneys of people with diabetic nephropathy, there are altered levels of proteins responsible for transferring information between both cells and their surrounding environment. In the absence of appropriate data sharing, cells respond inappropriately to incoming danger changes and ultimately kidney function is impaired. Our proposal aims to understand the mechanisms which link inappropriate cell conversation to the damage that occurs in the diabetic kidney. Importantly, in collaboration with our clinical colleagues, we will demonstrate the ability of a new therapeutic to negate these effects.

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 Oxford Islet Transplant team continues to be highly regarded in the islet transplant community, and DRWF funding has greatly enhanced this. They have been asked to help establish new islet isolation centres in several countries, including Mexico and India. Oxford had the privilege of hosting the very successful International Pancreas and Islet Transplantation Association (IPITA) International Congress in June 2017, the first time this honour has been bestowed on a UK centre. DRWF was a key partner in this Congress. Professor Paul



Johnson continues as Chair of the UK Islet Transplant Steering Group and continues to be a key opinion leader in the field. He is also active in diabetes patient forums.

The team publishes their research findings regularly and present their work at the major diabetes and transplantation meetings. Key achievements at 2017 year end for this project:

- Provision of human islets for 8-10 clinical islet transplants in the UK per year – **Target:** 8-10 clinical islet TX pa **Actual:** 10 islet transplants were performed using islets isolated in Oxford (Nov 16 – Oct 17). In addition, 4 further transplants were performed in Oxford using shipped-in islets
- Islet provision resulting in resolution of hypoglycaemia unawareness in >90% of patients following clinical islet transplant – **Target:** >90% hypo resolution **Actual:** 8/9 patients having hypo awareness resolution post-transplant in Oxford, 5 patients have achieved this using Oxford islets in other centres
- Islet yields of >250,000 islet equivalents from at least 1 in 2 pancreases processed (comparable with international best outcomes) – **Target:** Islet yields >250,000 and >200,000 **Actual:** 14/42 have produced a yield of >250,000. As we now have



transplant islet yields of 200,000, we have produced >200,000 yield in 18/42 preparations

- Distribution of 25 human islet preps per year for research across the UK – **Target:** 25 human islet preps pa for research. **Actual:** 30 human islet preps distributed for research in last 12 months

Novel research continues into optimising islet culture, including co-culture with mesenchymal stem cell media, development of physiological islet scaffolds, and design of a novel islet culture.

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.

Whilst there are clearly many challenges to the wider availability of human-to-human islet cell transplants which are being addressed in the UK and around the world, we have continued to fund work based in the US via an unrestricted grant to DRWF Inc. This grant is supporting work which is spear-headed by Professor Bernard Hering, of the Schultz Diabetes Institute Minnesota, a leading expert in the xeno-transplant field, who seeks to find an alternative, sustainable supply of islet cells for human transplant. This work has gained much ground since its original success was published in Nature magazine in 2006 and edges closer to FDA approval of clinical trial.

The islets for these studies are provided by the non-profit organisation Spring Point Project (SPP). Spring Point's primary aim has been to be the pre-eminent source of medical grade porcine tissue utilised to cure diseases--with a primary commitment to cure diabetes. To this end, SPP operates the Diabetes Research and Wellness Islet Resource Facility, which was made possible due to substantial financial support of the DRWF International Network of organisations. The SPP team has unique experience producing "medical grade" pigs and viable pig materials under the current Good Manufacturing Practices (cGMP) required by the U.S. Food and Drug Administration (FDA). The "medical grade" tissues from Spring Point's pigs are a key resource for the development of suitable, viable materials for a variety of medical applications including islet cell replacement therapies to reverse diabetes in the clinic.

Working with industry and academic partners the SPP team has now established the capability to produce isolated islet cells with the consistency and scale required to enable clinical trials. The team is currently producing millions of islets a month which are being used for research in the US and around the world. In 2016, the SPP team produced over 32 million islets. Research and development on final islet replacement products remains to be done before clinical trials, but with the critical supply of islets in place, they are now on the fast track to begin.

In 2017, SPP started the renovation of part of the Diabetes Research and Wellness Islet Resource Facility to establish an on-site cellular manufacturing facility. This new



Diabetes Research & Wellness Foundation

manufacturing space, complete with its state of the art cleanrooms and controls, will be used to produce the cGMP quality islet replacement products to be used in future clinical studies. SPP recently discussed these plans with the FDA resulting in confidence that, once established, the islets produced in the cellular manufacturing facility will indeed be readily acceptable for clinical studies.

Annual Research Reports received in the year –

Interim and final reports received within the year were reviewed by the Research Advisory Board Chairman, Professor David Matthews and the charity's Research Manager, Dr. Eleanor Kennedy. Final reports received as follows -

Professor Leanne Hodson: OCDEM - Understanding the relationship between lipid droplet pattern and mitochondrial function and morphology in human primary hepatocytes



Reviewed by Dr Eleanor Kennedy: *This is an interesting study that aimed to correlate lipid accumulation in the liver with mitochondrial function. The research appears to have suffered some setbacks given that the researchers could not get some of the samples to adhere for analysis and also that there were not as many tissue samples available as they had hoped. As a result, there have been no publications and no presentations arising from this work which is ultimately disappointing although the data may provide pilot data for a larger grant application to another funding agency.*



UNIVERSITY OF CAMBRIDGE

Dr Gemma Brierley: University of Cambridge - Investigation of anti-insulin receptor antibodies as a potential therapy for human insulin receptoropathy

Reviewed by Dr Eleanor Kennedy: *This is an excellent example of the kind of research that DRWF aims to fund. The study isolated and characterised a number of anti-insulin receptor antibodies which may be of therapeutic use for people with a very rare form of diabetes that involves a loss of function mutation in the insulin receptor. The work has seed corned four years of funding from Diabetes UK to explore these autoantibodies further and the data – in poster form at last year's Diabetes UK Professional Conference – was the runner-up for the Lilly Basic Science Poster – Science Translational Medicine has a very impressive impact factor!*

Dr Catriona Kelly: Ulster University - Evaluating the role of the pancreatic beta-cell in the development of Cystic Fibrosis related diabetes.

Reviewed by Dr Eleanor Kennedy: *This is a good report; this has been a very successful work-stream in a well-known group.*





Diabetes Research & Wellness Foundation

Significant amounts of additional funding have been leveraged into the research including a PhD studentship so there is a nice DRWF link to career progression.

Reviewed by David Matthews: *An outstanding report from an outstanding researcher.*

Dr Kelly writes:

"Please let the board know how deeply grateful I am for their support. This was my first grant and none of the others would have happened without this. This work also formed a large part of the awarded SRC from the CF Trust and that has established a consortium to look at the pathogenesis of CFRD, which is fantastic. It took a long time to get this funded originally, but I am very glad that DRWF took the chance!"



Dr Luigi Gnudi: King's College London - Nogo-B in diabetic glomerulopathy: novel target for treatment?

Reviewed by Dr Eleanor Kennedy: *This is a very good report that has a lot of data. The fact that sNogo-B overexpression mediates an amelioration of diabetes-medicated albuminuria is of importance as this has the*

potential to be taken forward from the current HUVEC cell line model to a therapeutic intervention for diabetic nephropathy. Professor Gnudi indicates that the work described formed part of bigger applications to both the BHF and KRUK so it would be good to follow up with him to see if either or both of these applications were successful.

Reviewed by David Matthews: *This is an excellent report on successful investigations into the mechanisms of reno-protection of sNogo-B in animal models, with potential for investigation as a pathway that might – eventually - have therapeutic potential.*



UNIVERSITY OF CAMBRIDGE

David Church – University of Cambridge - Development of a robust, clinically relevant approach to antibody-mediated diabetes and hypoglycaemia.

Reviewed by Dr Eleanor Kennedy: *This is a very nice piece of work that has led to the development of a new insulin receptor antibody assay, not just locally but potentially across the NHS and globally as well. Although there is no apparent intellectual property resulting from this, this is an interesting development that will undoubtedly lead to a better understanding of the processes that stimulate insulin and insulin receptor antibody*



**Diabetes Research &
Wellness Foundation**

production. Ultimately, this assay could quickly diagnose and monitor people with type 1 diabetes who are at risk of unpredictable glucose control because of these antibodies. The final report reports on four papers - three (where DRWF is appropriately acknowledged) have been submitted. The fourth (currently in preparation) should be requested when available. There is also an impressive list of international presentations which is to be commended.

European Association for the Study of Diabetes Lisbon, Portugal 2017 –

EASD 2017
Lisbon – Portugal

We attended EASD which was held in Lisbon, Portugal in September, 2017, where we heard a number of DRWF funded researchers speak about the progress of their work in the UK and as part of the wider, international diabetes research community. One of these researchers being Dr Shivani Misra, Imperial College, London who was awarded the DRWF Sutherland-Earl Clinical Fellowship in 2012. Dr Misra subsequently went on to win a prestigious award from the International Diabetes Federation for which she was given a £4,000 prize pot. In recognition of the support that DRWF had given to this work, Dr Misra kindly donated half of this win to the charity.

Diabetes researcher wins award for NIHR supported study

Date: 07 December 2017

A diabetes researcher has been awarded European Young Researcher of the Year in recognition for her diabetes study into how type 1, type 2 diabetes and genetic forms vary across different ethnic groups.

Dr Shivani Misra received the award at the International Diabetes Federation (IDF) 2017 Congress, held in Abu Dhabi, UAE, on 4-8 December 2017. The MY DIABETES study was funded by the Diabetes Research & Wellness Foundation and supported by the National Institute for Health Research.

It aims to improve the diagnosis of diabetes in young people from South Asian, and African and Caribbean UK ethnic groups.

Dr Misra, said: "I'm absolutely delighted to have been awarded European Young Researcher of the Year by the International Diabetes Federation (IDF).

Financial Review –

Principal income streams in the year (excluding Gift in Kind activity) were direct mail campaigns; a regular giving programme called 'Partners for the Cure'; legacy income; major donor income; and gift aid associated with voluntary donations.

Total income, excluding Gifts in Kind was £2,158,183 which was an increase of 29.4% on budgeted income; a 15.3% reduction on income received in 2016. Voluntary donations including gift aid receipts at £2,049,031 was down by 13.7% on 2016. Legacy income, having been budgeted for very cautiously on notes of intent only, was 1.6% less than legacy income received in 2016.

Total expenditure in the year, excluding Gifts in Kind, was £1,947,269 which was 8.5% below budget and a reduction of 10.6% on expenditure in 2016. At year end we were showing a surplus of £210,914 whereas we had budgeted for a deficit of £459,904 based on our forward knowledge of research funding commitments in the year and an anticipated reduction in income.

Direct charitable expenditure was 0.91p in every £1 spent (0.93p in 2016 – a small reduction of 2%)

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.

Whilst the economy has seen the continuation of extremely low interest rates, investment income (bank interest) has been very disappointing. 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 consider it appropriate to continue to review low-risk, easy access, 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 £437,000 and £874,000.



During financial year 2017, total expenditure (excluding Gifts in Kind) was £1,947,269. Allowing for adjustments and forward research commitments, the charity's expenditures for financial year 2018 are likely to be in the region of £1,750,000. At 31st December 2017, the charity held free reserves (unrestricted reserves less fixed assets) of £3,643,026. This is the equivalent of approximately 25 months operating and charitable expenditures.

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 difficult.

The charity, having been established in its current premises for the last 18 years, is also faced with a move due to redevelopment of the offices that it occupies. Whilst carrying out scoping work of new premises, it has become apparent that the charity has enjoyed vary favourable rates over this long period of time. Market value of similar size premises is considerably more costly and therefore the charity will see increased costs associated with this move in 2018.

Current reserves, whilst in excess of those anticipated, will enable us to do this whilst considering options for developing our research funding portfolio and information and educational support programmes, for the future.

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.

Plans for future periods –

We are ever mindful of the many changes which could potentially impact on our current fundraising methods. We acknowledge the importance of exploring all avenues of income to support our activities and are looking at ways in which to develop our current major donor and legacy campaigns; increase income via grants and trust applications and seek out possible corporate relationships. Our small community fundraising programme is clearly growing with higher income seen from these external activities during the year. There are a number of new methods of approach that we will test in 2018, accepting that these will be more risky as we they are uncharted waters for us but will seek professional support where viable to support these efforts.



Brand awareness for DRWF has grown significantly and our reach of a wider and younger audience, particularly via social medial channels, has definitely increased. Whilst the majority of our audience has for some time been the more mature person with type 2 diabetes, we are now seeing increasing interest in our information and educational events programme from younger people and parents of children with type 1 diabetes. Winning the Quality in Care Diabetes award for 'empowering people with diabetes in self-management' clearly boosted this profile in 2017 and we hope to maximise on this in 2018.

Keeping our beneficiaries at the heart of all we do, we will endeavour to involve them in the diversification of our activities to ensure that we are aligned in expectation of what is appropriate.

It is ever more apparent that being able to demonstrate the value that our support activities have for beneficiaries, is crucial. The impact evaluation that was concluded on the Diabetes Wellness Event programme in 2017 highlighted this. To that end, Barnard Health Research has been secured to conduct a further evaluation on the provision of information via the DRWF Information Leaflet Series in 2018.

We have been working closely with groups within the International Diabetes Wellness Network, particularly in Sweden and Finland, for the last year or two to develop our network of diabetes and related health experts in support of our peer review processes. This has proven very successful and has given us much wider access to experts for external review processes for all groups. We will continue to share information and expertise in this way going forward as it is a cost effective way of sharing resources with a common goal in mind.

2018 sees us enter the charity's 20th anniversary year and it would seem fitting that this year should be a spring board for further positive change for DRWF.



Reference and Administrative Details

Charity Number: 1070607

Company number: 3496304

Registered Office: 010-012 Northney Marina
Hayling Island
Hampshire
PO11 0NH
Tel: 023 92 637808
Website: drwf.org.uk

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

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 15th June 1998, 2nd December 2001 and 24th 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 members of the company. 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 more traditional 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 activities meet the beneficiary needs.

Trustee Induction and Training – Newly elected Trustees receive an Induction Pack which 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 sign an 'eligibility form' 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.



Diabetes Research & Wellness Foundation

Organisation - The strategic direction and policy of the charity is the responsibility of the Board of Trustees. During 2017, 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 Officer, 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. 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.
- 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.
- 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 diabète (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).

The links between these independent organisations has proved invaluable to the charity in strengthening its 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 bench-mark 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

Approach to Fundraising – The DRWF trustees are fully 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 the second source of higher volume/value donations to the charity at this point.

During the year, we became 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 newly introduced Fundraising Preference Service which helps to ensure that we do not approach individuals who have expressly requested that we do not contact them. FPS suppression requests totalled 30 in 2017.

The charity has a published complaints procedure, available on its website, and endeavours to respond to enquiries and complaints within the stated timeframe. As a member of the Fundraising Regulator we are required to provide annual figures on the number of complaints received during the year. 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 ie. 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.

The charity did not engage with a professional fundraiser or commercial participator in the year.

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 assessment register is reviewed annually by the trustees to ensure the ongoing adequacy of internal control mechanisms.

The risk assessment register was reviewed in September 2017 and updated accordingly. The following areas were ranked more highly than the previous year -

Location: This has been an ongoing concern for some time, given the landlords desire to redevelop the area on which the DRWF premises are sited. They have received planning permission to convert the current commercial premises to residential and it is unclear at this time what the onward solution is for existing tenants, if any. It is likely that the charity will need to find alternative premises within a 10 mile radius of its current site before the end of 2018.

Loss of data: *Loss of data due to IT/system failure* – Our systems are reviewed quarterly by retained IT advisors who perform regular operational housekeeping on all PCs, servers and back-up systems. Data stored in the DRWF CRM is protected behind sonic firewalls and regular fire-files are pulled from the system. Data collected and managed during response handling processes are subject to a Standard Operating Procedure which is regularly reviewed. The charity's response handling house hold ISO 9001 accreditation in document/data management and information security and PCI DSS compliance.

Loss of data due to reduction in response/engagement with the charity - Collection and protection of data has always been a priority but has been uppermost in our minds during the challenging times of the last couple of years. The DRWF CEO met with the ICO enforcement team in February 2017 during the course of their investigation into charities handling of personal information. During this time, DRWF reviewed all data collection, management and retention processes; reviewed and updated privacy policies and started the process of advising supporters of the charity on how personal information is used, their options for onward engagement and how to advise the charity if they no longer wished to be in touch. This is an ongoing project at this time to ensure that all of the charity's communication channels are in line with GDPR compliance by May 25th, 2018.

The ICO confirmed that they had closed the investigation into DRWF's practices without financial penalty in November 2017.



Diabetes Research & Wellness Foundation

Fundraising/Dependency on income streams: Fundraising has become increasingly challenging and the charity is actively exploring ways in which to diversify income streams in order to reduce dependency on single income sources.

Government policy: The charity endeavours to stay abreast of changes in legislation and regulatory policy through appropriate publications, notifications, public events and membership of advisory bodies, and legal and professional advisors. As a small organisation, this can be challenging.

Fundraising Regulation: DRWF became a levy-paying member of the Fundraising Regulator during the year and subscribes to the fundraising codes of conduct and suppresses opt-outs by way of the Fundraising Preference Service.

GDPR: GDPR has presented a significant workload in reviewing all of the data collection, management and retention processes associated with the charity's activities. DRWF has worked with professionals working in the field of data protection/GDPR and legal advisers, to ensure that the due diligence and operational processes in place at the charity are robust and compliant in preparation for May 25th, 2018 and beyond.



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 which 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.

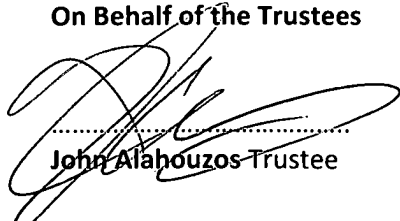
In so far as the trustees are aware:

- 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

18/7/2018
.....
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 2017 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 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 2017 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 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.

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.

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, 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.


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

Date: 19/7/2018

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 2017

		Unrestricted Funds £	Restricted Funds £	2017 TOTAL £	Unrestricted Funds £	Restricted Funds £	2016 TOTAL £
Income							
Donations and Legacies	2	1,928,020	6,604	1,934,624	2,222,857	2,533	2,225,390
Charitable Activities	3	1,246,043	-	1,246,043	2,865,962	-	2,865,962
Other Charitable Trading Activities	4	19,623	-	19,623	26,971	-	26,971
Investments		2,821	-	2,821	3,793	-	3,793
Income from Charitable Activities		3,196,507	6,604	3,203,111	5,119,583	2,533	5,122,116
Other Income	5	1,542	-	1,542	1,769	-	1,769
Total Income		<u>3,198,049</u>	<u>6,604</u>	<u>3,204,653</u>	<u>5,121,352</u>	<u>2,533</u>	<u>5,123,885</u>
Expenditure On:							
Raising Funds	6	262,144	-	262,144	320,715	-	320,715
Charitable Activities	7	2,643,896	87,699	2,731,595	4,316,902	117,116	4,434,018
Other		-	-	-	-	-	-
		<u>2,906,040</u>	<u>87,699</u>	<u>2,993,739</u>	<u>4,637,617</u>	<u>117,116</u>	<u>4,754,733</u>
Net Income		<u>292,009</u>	<u>(81,095)</u>	<u>210,914</u>	<u>483,735</u>	<u>(114,583)</u>	<u>369,152</u>
Transfer between Funds	20	-	-	-	-	-	-
Net Movement in Funds		<u>292,009</u>	<u>(81,095)</u>	<u>210,914</u>	<u>483,735</u>	<u>(114,583)</u>	<u>369,152</u>
Total Funds brought forward		3,354,456	110,442	3,464,898	2,870,721	225,025	3,095,746
Total funds carried forward at 31 December 2017		<u>3,646,465</u>	<u>29,347</u>	<u>3,675,812</u>	<u>3,354,456</u>	<u>110,442</u>	<u>3,464,898</u>

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.

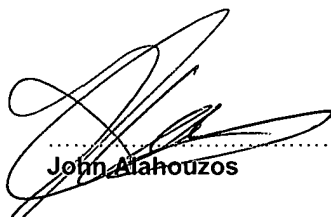
The accompanying notes form an integral part of these financial statements.

Diabetes Research and Wellness Foundation
Balance Sheet
As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed Assets					
Tangible Assets	16		3,439		6,527
Current Assets					
Debtors	17	582,589		219,254	
Cash at bank and in hand		<u>3,547,801</u>		<u>3,820,372</u>	
		4,130,390		4,039,626	
Creditors : Amounts falling due within one year	18	<u>(458,017)</u>		<u>(581,255)</u>	
Net Current Assets			<u>3,672,373</u>		<u>3,458,371</u>
Total Net Assets			<u><u>3,675,812</u></u>		<u><u>3,464,898</u></u>
Reserves					
Restricted Fund	20		29,347		110,442
General Reserve	20		<u>3,646,465</u>		<u>3,354,456</u>
			<u><u>3,675,812</u></u>		<u><u>3,464,898</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 18/7/2018 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 2017

	Note	2017 £	2016 £
Cash used in Operating Activities	24	(275,392)	407,580
Cash Flows from Investing Activities	Interest on Bank Deposit	2,821	3,793
Cash Flows from Financing Activities	Fixed Assets	-	-
Change in cash and cash equivalents in the year		(272,571)	411,373
Cash and cash equivalents brought forward 1st January		3,820,372	3,408,999
Cash and cash equivalents at 31st December		3,547,801	3,820,372

Diabetes Research and Wellness Foundation
Notes to the Financial Statements
For the year ended 31 December 2017

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 2017

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 2017

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 term.

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 at 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 2017

2 Donations and Legacies	2017 £	2016 £			
Donations	946,649	1,221,532			
Legacies Received	987,975	1,003,858			
	<u>1,934,624</u>	<u>2,225,390</u>			
Included in the above are restricted donations of £6,604 (2016: £2,533)					
3 Charitable Activities	2017 £	2016 £			
Grants Received	85,166	138,160			
Gifts in Kind (see Note 9)	1,046,470	2,577,300			
Gift Aid Receipts	114,407	150,502			
	<u>1,246,043</u>	<u>2,865,962</u>			
4 Other Charitable Trading Activities	2017 £	2016 £			
Membership Subscriptions	16,335	15,403			
Event Fees and Sponsorship	3,288	11,568			
	<u>19,623</u>	<u>26,971</u>			
5 Other Income	2017 £	2016 £			
Book Sales	360	741			
Royalties Received	53	192			
Registration Fees	25	84			
Miscellaneous Income	1,104	752			
	<u>1,542</u>	<u>1,769</u>			
6 Fund Raising	2017 £	2016 £			
Caging	113,720	127,245			
Carriers	3,779	8,228			
Computer Charges	6,642	21,391			
Lettershop and Data	1,595	5,974			
Postage and Shipping	23,992	62,069			
Printing	3,733	12,509			
Publicity	3,721	4,306			
Marketing Costs	10,303	314			
Telemarketing	-	-			
Mail Pack Premiums	36,934	32,432			
Staff Costs (see Note 12)	42,925	31,643			
Sweepstake Winners	14,800	14,604			
	<u>262,144</u>	<u>320,715</u>			
7 Charitable Activities	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	708,876	-	-	-	708,876
	<u>708,876</u>	<u>632,591</u>	<u>1,046,470</u>	<u>343,658</u>	<u>2,731,595</u>
	2016 Direct Expenditure (Note 10) £	2016 Grants Awards (Note 8) £	2016 Gifts in Kind (Note 9) £	2016 Support Costs (Note 11) £	2016 Total £
Research into the Relief of Diabetes	-	622,062	-	315,317	937,379
Relief of Persons with Diabetes	-	-	2,577,300	27,652	2,604,952
Raising Public Awareness of Diabetes	891,687	-	-	-	891,687
	<u>891,687</u>	<u>622,062</u>	<u>2,577,300</u>	<u>342,969</u>	<u>4,434,018</u>

Diabetes Research and Wellness Foundation
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

8 Grant Awards	2017	2016
	£	£
Cambridge University Hospital NHS Foundation Trust - J S Earl Clinical Award 2013	-	30,000
University of Exeter Medical School - Non Clinical Fellowship 2014	52,674	57,463
Imperial College - J S Earl Clinical Award 2015	64,358	96,537
Newcastle University - 2016 Pump Priming Award (Dr. C Arden)	-	19,715
Newcastle University - 2016 Pump Priming Award (Dr. D West)	-	19,470
OCDEM - 2016 Pump Priming Award	-	19,382
Ulster University - 2016 Pump Priming Award	-	12,260
UCL - 2016 Pump Priming Award	-	20,000
University of Bristol - Non Clinical Fellowship 2016	59,925	14,981
University of Aberdeen - Non Clinical Fellowship 2016 - Dr Marques de Lima	-	19,999
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	150,828	150,333
Diabetes Research and Wellness Foundation Inc.	130,823	125,772
Diabetes Research and Wellness Foundation Inc. re University of Minnesota	39,706	36,559
Association pour la Recherche sur la Diabete	-	-
Diabetes Wellness Network Canada	-	2
	<hr/>	<hr/>
	686,753	622,473
Less: Unclaimed grants written back	(54,162)	(411)
	<hr/>	<hr/>
	<u>632,591</u>	<u>622,062</u>

Diabetes Research and Wellness Foundation
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

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	2017 Total	2016 Total
Central America	1	1,046,470	12,279	1,058,749	2,604,952
		<u>1,046,470</u>	<u>12,279</u>	<u>1,058,749</u>	<u>2,604,952</u>

10 Direct Charitable Expenditure

	2017 £	2016 £
Staff Costs (see Note 12)	276,463	267,514
Postage	182,524	293,054
Printing	59,289	101,463
Publicity	14,635	10,690
Mail Pack Premiums	150,170	149,364
Telemarketing	-	-
Carriers	15,364	37,892
Grant Costs	3,589	7,547
Lettershop and Data	6,842	24,163
	<u>708,876</u>	<u>891,687</u>

11 Support Costs

	2017 £	2016 £
Other Staff Costs	5,772	7,883
Professional Costs	16,783	4,581
Management Charge	92,389	66,918
Office Expenses	54,097	63,980
Establishment Expenses	32,514	24,547
Bank Charges and Interest Paid	2,305	2,661
Foreign Exchange (Loss)	6,347	6,388
Provision for Bad Debts	(397)	2,382
Depreciation	3,088	3,662
Irrecoverable VAT	46,667	56,702
Amounts paid to Auditors	12,645	12,220
Company Secretarial Fees	350	853
Board Meeting Expenses & Trustee Expenses	10,301	11,434
Other Overhead Costs	48,518	51,106
	<u>331,379</u>	<u>315,317</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

	2017 £	2016 £
Wages and Salaries	287,670	269,764
Social Security Costs	22,698	21,424
Pension Costs	9,020	7,969
	<u>319,388</u>	<u>299,157</u>

The key management personnel of the charity are the Trustees and the CEO. The total amount paid to key management personnel was £67,453 (2016: £65,995) including Employers NIC of £6,977 (2016: £6,824) and Pension Costs of £1,761 (2016: £1,608).

No employee received a salary of more than £60,000 during the year (2016: Nil).

The average number of full-time equivalent employees during the year was 8 (2016: 8).

Diabetes Research and Wellness Foundation
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

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 £11,082 (2016: £11,434) of which £4,063 (2016: £2,759) was reimbursed directly to 3 (2016: 4) Trustees.

14 Surplus of Income over Expenditure	2017 £	2016 £
The surplus of income over expenditure is stated after charging:		
Auditors' Remuneration:		
- Audit Fee relating to the Financial Year	12,645	12,220
- In respect of non audit services	3,469	3,478
Operating Lease rentals		
- Plant & Machinery	2,150	2,062
- Other Assets	20,500	14,070
Foreign Exchange Loss	6,347	6,388
Depreciation	<u>3,088</u>	<u>3,662</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

	Office equipment, fixtures and fittings £
Cost	
At 1 January 2017	32,350
Disposals in Year	-
At 31 December 2017	<u>32,350</u>
Depreciation	
At 1 January 2017	25,823
Provided in the year	3,088
Eliminated on Disposal	-
At 31 December 2017	<u>28,911</u>
Net Book Value	
31 December 2017	<u>3,439</u>
At 31 December 2016	<u>6,527</u>

17 Debtors	2017 £	2016 £
Trade Debtors	230	204
Other Debtors	58,407	38,212
Prepayments and Accrued Income	<u>523,952</u>	<u>180,838</u>
	<u>582,589</u>	<u>219,254</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 2017

18 Creditors : Amounts falling due within one year

	2017 £	2016 £
Trade Creditors	96,007	79,683
Grants Payable (see below)	243,785	332,436
Accruals and Deferred Income	107,101	155,276
Tax and Social Security	9,245	12,074
Other Creditors	1,879	1,786
	<u>458,017</u>	<u>581,255</u>

Included within other creditors is a pension creditor of £1,250 (2016: £1,061)

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

Reconciliation of Grants Payable:

Commitments at 1 January 2017	332,436	372,156
Grants Payable for the Year (see Note 8)	632,591	622,062
Grants Paid during Year	<u>(714,284)</u>	<u>(661,782)</u>
	<u>250,743</u>	<u>332,436</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

	2017 £	2016 £
Deferred Income B/FWD 1st January 2017	117,790	232,809
Released to Income in Year	(95,047)	(124,900)
Income Deferred In Year	13,874	9,881
Deferred Income C/FWD 31st December 2017	<u>36,417</u>	<u>117,790</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

20 Reserves

	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>
	Balance at 1 January 2016	Transfer from General Reserve In Year	Income In Year	Expenditure In Year	Net Movement in Year	Balance at 31 December 2016
	£	£	£	£	£	£
Restricted Fund relating to Oxford Grants	225,025	-	-	(117,116)	(117,116)	107,909
Restricted Fund relating to The Big Give Christmas Challenge	-	-	2,533	-	2,533	2,533
General Reserve	2,870,721	-	5,121,352	(4,637,617)	483,735	3,354,456
	<u>3,095,746</u>	<u>-</u>	<u>5,123,885</u>	<u>(4,754,733)</u>	<u>369,152</u>	<u>3,464,898</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 £85,166 was expended (2016: £117,116). As at 31st December 2017 there is remaining balance of £22,743 to be allocated to 2018 expenditure.

During the year the charity participated in the Big Give Christmas Challenge 2017 to raise funds for the 2018 programme of Educational Events. The total received in the year was £6,604 (2016 £2,533).

Net Assets by Fund	Unrestricted £	Restricted £	Total £
Tangible Assets	3,439	-	3,439
Current Assets	4,101,043	29,347	4,130,390
Current Liabilities	<u>(458,017)</u>	<u>-</u>	<u>(458,017)</u>
	<u>3,646,465</u>	<u>29,347</u>	<u>3,675,812</u>

Diabetes Research and Wellness Foundation
Notes to the Financial Statements (Continued)
For the year ended 31 December 2017

21 Payments to Connected Charities

Connected Charity	Nature of Relationship	2017		2016		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	92,389	-	66,918	-	Management charges in relation to the sharing of articles and staff.
Diabetes Research & Wellness Foundation Inc.	1	130,823	-	125,771	-	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	-	36,559	-	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 diabète	2	-	-	-	-	This grant was made to assist with the funding of the Association's awareness and educational programmes.
Diabetes Wellness Network Canada	3	-	-	2	-	This grant was made to assist in the funding of the Network's set up costs.

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 diabète is completely separate and independent with no legal connections, but Mr W.M. Gretsche, 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 Gretsche and Mr J Alahouzos also sit on the Board of Trustees of the associated charity in Canada.

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

22 Financial Commitments

The charity has financial commitments of £566,712 (2016: £956,041) for grants authorised but not accrued as expenditure for the year ended 31 December 2017, as they are subject to the recipient fulfilling certain conditions. The amounts payable are as follow:

	2017 £	2016 £
Payable in 2018	405,130	595,103
Payable in 2019	132,152	275,997
Payable in 2020	29,430	84,941
Payable in 2021	-	-
	<u>566,712</u>	<u>956,041</u>

23 Operating Leases

At 31st December 2017, the charity has commitments under operating leases as follows:

	2017 £ Within one Year	2017 £ Two to Five Years	2016 £ Within one Year	2016 £ Two to Five Years
Land and Buildings	20,500	2,808	20,500	23,308
Other Assets	1,600	705	1,831	1,365
Total	<u>22,100</u>	<u>3,513</u>	<u>22,331</u>	<u>24,673</u>

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

	2017 £	2016 £
Net Movement in Funds - Surplus/(Deficit)	210,914	369,152
Add back Depreciation Charge	3,088	3,662
Deduct Interest Income shown in Investing Activities	(2,821)	(3,793)
Decrease (Increase) in Debtors	(363,335)	237,545
Increase (Decrease) in Creditors	(123,238)	(198,986)
Net Cash used in Operating Activities	<u>(275,392)</u>	<u>407,580</u>

25 Members' Liability

The Foundation is a company limited by guarantee. On the event of winding up, the member's (5) (2016 - 5) liability is limited to £1.