

A woman with glasses and braided hair, wearing a red tank top, is looking upwards and to the right. The background is a blurred gym setting.

# WHAT WE DID IN 2021

Annual report  
and accounts

**DiABETES UK**  
KNOW DIABETES. FIGHT DIABETES.

# WE'VE HAD QUITE A YEAR

We want to  
tell you how  
we've made a  
difference for  
people living  
with diabetes.





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# OUR VITAL WORK GOES ON

**Determination shone through 2021. Together, we rose to the challenge of supporting people with and at risk of diabetes during a difficult year, while also planning a bold response to the need for research and support in 2022.**

We continued to see unprecedented demand for our services in 2021, which was our first full year of supporting people with diabetes through the pandemic. Our supporters found more creative ways to raise funds and be there for each other, even when we couldn't be together in person. And our staff, volunteers and colleagues in research and healthcare went above and beyond to tackle challenges raised by coronavirus, while never stepping away from supporting people with and at risk of diabetes.

It's 100 years since the discovery of insulin and we celebrated the century of life-changing diabetes research it inspired by getting our research funding back on track and developing partnerships to help us reach the next breakthrough.

Research funded by us has changed national islet transplant guidelines, meaning more people with type 1 diabetes will benefit from this life-changing procedure. Our DiRECT researchers discovered that their low-calorie diet to help people put their type 2 diabetes into remission has the added benefit of lowering blood pressure. And we're now leading preparations in partnership for a potential licensing of the world's first immunotherapy drug for type 1 diabetes, Teplizumab, which could stop the condition in its tracks.

Whilst we continued adapting to a new normal, we also started looking beyond the



pandemic and building for a brighter future where people with diabetes live well with their condition, with a cure within reach.

We connected with local services and healthcare professionals to make sure people knew how and when to access care and could manage their diabetes confidently. The pandemic put our health in the spotlight and served as a stark reminder of existing inequalities. We used this growing awareness to push forward with our ambitious work to tackle these issues, looking at how social factors drive imbalances in diabetes care and prevention.

We launched our **Diabetes is Serious** campaign, urging the UK Government to make diabetes care and prevention a priority. And we brought together our amazing community, with our **This is Diabetes** campaign, reflecting the real, lived experiences of people with and affected by diabetes, and

helping us to connect with even more people on an emotional level.

Looking to 2022, we're hopeful that the worst of the pandemic is behind us. But it leaves a lot of work to do – not just to recover, but to help everyone with and at risk of diabetes to live well and longer. The next few years are critical. The nation's health must be a priority, and this means putting diabetes care and prevention at the centre of the agenda.

There's quite a fight ahead of us, but we know that – with the help of our dedicated staff, volunteers and supporters – we can change the lives of even more people, and help build a future where diabetes can do no harm.

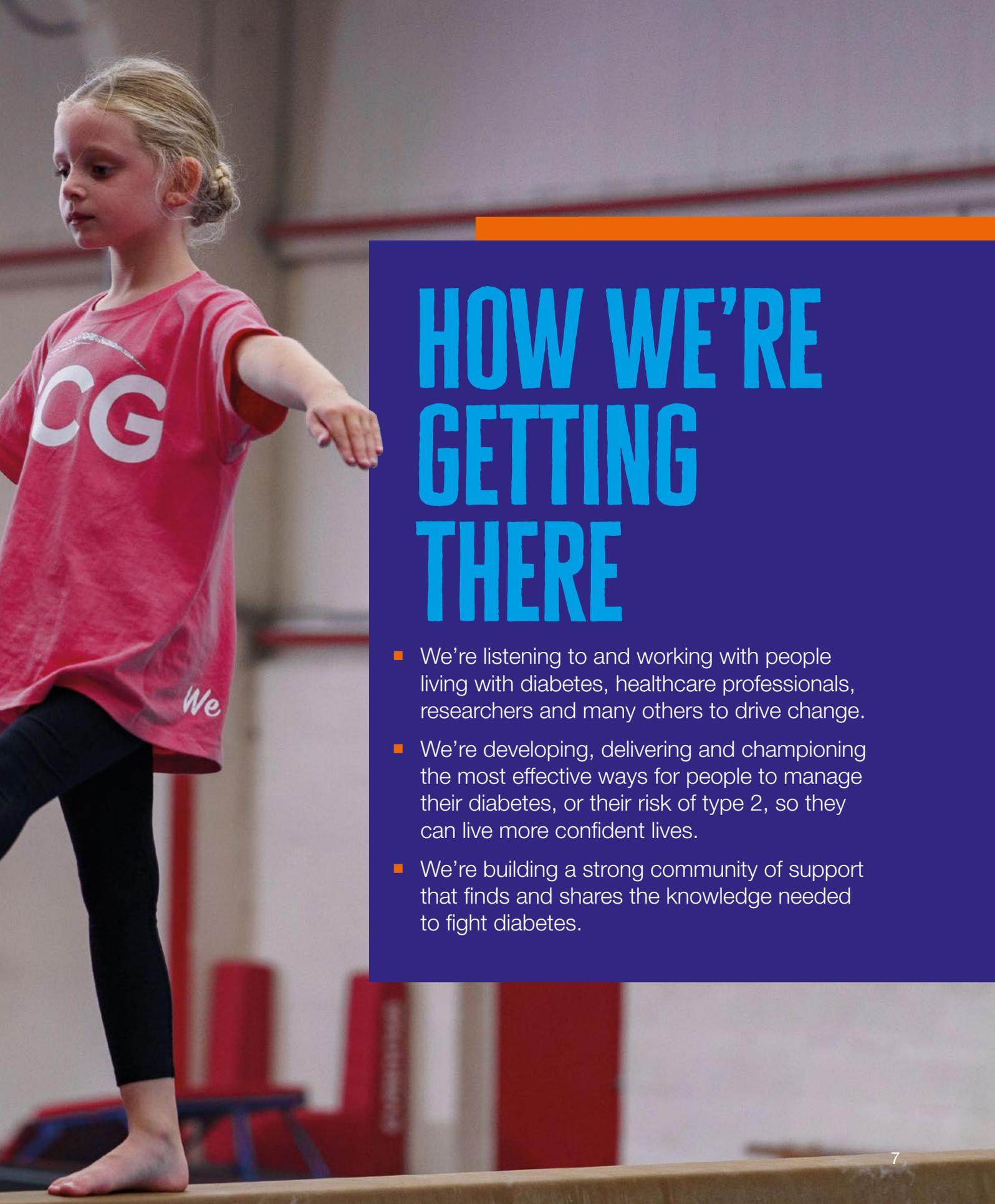
**Chris Askew OBE**  
Chief Executive

**Dr Carol Homden CBE**  
Chair



# WE'RE FIGHTING FOR A WORLD WHERE DIABETES CAN DO NO HARM

We're bringing people together to support those living with diabetes, prevent type 2 diabetes, make research breakthroughs and ultimately find a cure.



# HOW WE'RE GETTING THERE

- We're listening to and working with people living with diabetes, healthcare professionals, researchers and many others to drive change.
- We're developing, delivering and championing the most effective ways for people to manage their diabetes, or their risk of type 2, so they can live more confident lives.
- We're building a strong community of support that finds and shares the knowledge needed to fight diabetes.

A man with grey hair and a beard, wearing a blue and white plaid button-down shirt, light blue trousers, and white sneakers, is walking on a lush green lawn. He is smiling and looking towards the camera. The background features a line of trees under a bright, slightly cloudy sky.

# A GENERATION TO END THE HARM

Our strategy is focused on curing and preventing diabetes, as well as helping people to live well and longer with the condition.

# WHAT WE'RE AIMING TO ACHIEVE

- More people with type 1, type 2 and all other forms of diabetes will benefit from new treatments that cure or prevent the condition.
- More people will be in remission from type 2 diabetes.
- More people will get the quality of care they need to manage their diabetes well.
- Fewer people will get type 2 and gestational diabetes.
- More people will live better and more confident lives with diabetes, free from discrimination.

## To get us there faster, we're making sure we're...

- Fighting diabetes with you.
- Addressing and fighting inequality.
- Harnessing technology to improve everything we do.
- Learning and improving together.



**300,000  
MORE PEOPLE**

discovered their risk of type 2 diabetes so they can take action to prevent it, thanks to our Know Your Risk tool – that's **22% higher** than last year.

# OUR IMPACT AT A GLANCE

Together, we changed lives in 2021. Here are some of the highlights.



**100,000 people** are now using our Learning Zone to help them manage their diabetes, with **84%** saying it has helped improve their confidence.

**87%**

We reached an audience of **16.3 million people** in July with our Diabetes is Serious campaign, so more people understand why diabetes care is so important.

of people with diabetes who we reached through our This is Diabetes campaign said they felt it accurately portrayed their condition.



You helped us raise  
**£37.9 MILLION**  
 to provide vital support  
 and fund life-changing  
 research.

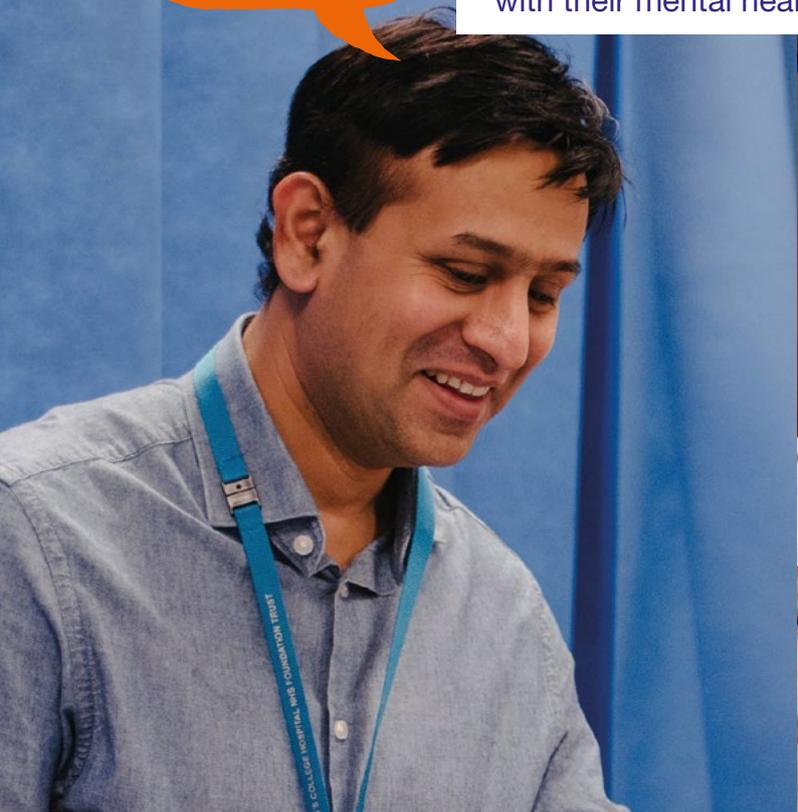


**2,235 PEOPLE**

attended our virtual  
**Diabetes UK Professional  
 Conference**, with 72%  
 saying they would  
 immediately apply the  
 learnings to improve care  
 for people with diabetes.

**2,000  
 healthcare  
 professionals**

accessed our new  
 emotional wellbeing  
 training module, giving  
 them the tools to support  
 more people with diabetes  
 with their mental health.



**£6.5 MILLION**

was invested in research, to help  
 fund life-changing treatments to  
 prevent, cure and make diabetes  
 easier to live with.



“This is the sort of campaign that prompts a ‘FINALLY!’ from everyone who lives with or knows someone who lives with diabetes. Because this is pretty much what it’s like. Day in, day out.”

**Matt**

“I don’t think I’ve ever related to a campaign video so much!”

**Aiden**

“My 6-year-old liked seeing others like her on the television – thank you.”

**Sophie**

“Lived with this hidden disability for 40 years. Sometimes feeling shame and not talking about it. Seeing this living truth for everyone to see made me cry.”

**Anne**

“This made me feel so emotional. It’s a year to the day my son was diagnosed at 12. He’s an absolute warrior. Thank you for this, so accurate and beautifully done.”

**Amy**



# THIS IS DIABETES

**This year, we were proud to share the real stories of people living with and affected by diabetes through our major new campaign, This is Diabetes.**

Diabetes can often feel like a hidden condition. While millions of us live with it, millions more misunderstand it. We wanted to shine a spotlight on this complex condition, making sure more people than ever before felt seen and understood.

Trying to condense the unique experiences of almost 5 million people living with diabetes into a 60-second TV advert was our biggest challenge. It was important to capture moments that were relatable, so as many people as possible could see their own experiences in the stories we shared.

## Real-life stories

Throughout development, we worked alongside our community of people living with and affected by diabetes to make sure the stories we told on TV, radio and online reflected the reality of the condition. At the heart of the campaign are the experiences of Jon, Liz, Kaajal, Gina, Snita, and Libby and her parents, Jayne and Mike.

From Kaajal overcoming stigma at school to Mike and Jayne wanting to keep their daughter Libby's childhood as normal as possible, each one of our storytellers shared the different ways diabetes affects their lives.

## Real-life reactions

We've been overwhelmed by the response to our campaign and the difference it's already making for people living with and affected by diabetes. So far, we've reached around 36 million people across the UK – that's over 70% of the total UK adult population – helping more people to understand what it's like to live with diabetes. And when we asked people with diabetes if they felt the campaign was a true reflection of their experience, a resounding 87% said 'yes'.

# THE PATH TO A CURE

**Research has transformed everyday life with diabetes. In the year we celebrated 100 years of insulin, our researchers worked on ways to not just treat diabetes, but to cure it.**

This year, our research found a way to make islet cell transplants more effective, triggering a change in national guidance on how they're given. Transplants are helping people with type 1 diabetes who have severe hypos and no warning signs to make their own insulin again and avoid life-threatening hypos.

We continued funding research into how coronavirus affects people with diabetes, helping us to influence national policies and improve care and support for people with diabetes during the pandemic.

Our research to unravel the causes of type 2 diabetes revealed new routes to prevent and cure it. We discovered that liver fat and pancreas size drive the development of type 2 diabetes, and that a common hormonal condition could play a bigger role in increasing risk than ever thought before. These findings could unlock new treatments and give us better, more tailored ways to prevent type 2 diabetes.

The world's first licensed immunotherapy for type 1 diabetes – which could form part of a cure – is within reach. We're working with the research and healthcare community to pave the way for the first drug to be licensed and used in the UK.

And, in June, the NHS announced that up to 1,000 people with type 1 diabetes will get to trial a hybrid closed-loop system, which automatically adjusts the amount of insulin given. We've funded research to develop this type of life-changing technology from the beginning. We're continuing to work with research and healthcare communities to make sure people have access to the diabetes technology they need to live well.

“

You feel as close to a normal person as possible. My sugars seemed to be in range almost all of the time. Everything is so much better.

”

Rachel received an islet transplant, which has transformed her life with type 1 diabetes, helping her come off insulin – all thanks to our research.



“

I put my type 2 in remission just five months after diagnosis. Without the Diabetes UK website, I don't know what position I would be in now.

”

Sean was inspired to put his type 2 diabetes into remission, after reading about our DiRECT trial on our website.



# REMISSION FOR MORE PEOPLE

**Our research into type 2 remission is having real impact. In 2021, we continued to fight for a future where remission is a reality for the many, not the few.**

This year, our investment into remission research has transformed even more lives, with remission services and support blossoming across the UK.

More than 2,000 people signed up for NHS England's low-calorie diet programme, inspired by our landmark **DiRECT study**, helping them to lose the weight needed to put their type 2 diabetes into remission. Thousands more are expected to benefit from the programme in 2022.

Our DiRECT researchers continued to make life-changing discoveries. Their low-calorie diet programme was also found to lower blood pressure, allowing some people with type 2 diabetes to safely come off blood pressure medication.

After four years of steering collaboration between us and stakeholders in the USA and Europe, we agreed an international definition of remission. This is helping healthcare professionals worldwide to offer consistent, evidence-based support to people with type 2 diabetes. It also means researchers will have better data to increase understanding about remission.

We listened to people interested in and with lived experience of remission to improve our online content, so that more people have the knowledge they need to start their remission journey. We introduced a feedback tool, which told us that 89% of users found what they were looking for, and 78% learnt more about remission. We're using this feedback to update remission content across our platforms.

Lastly, we set up an insight panel, made up of volunteers with experience of or an interest in remission. They're ensuring we're putting people at the heart of our remission work, so we can make sure everyone who could benefit has the best chance of getting there.

# LEARNING, LOBBYING AND REDUCING RISK

**This year, we helped more people discover their risk of type 2 diabetes and take action, while learning what we can do as a society to stop the condition in its tracks.**

From January to December, over 300,000 people used our Know Your Risk tool to find out their risk of developing type 2 diabetes, and more than 40,000 self-referred to the **NHS Diabetes Prevention Programme** in England. This self-referral approach meant people could receive support even when they couldn't get face-to-face appointments.

We learnt from focus groups that self-referral was the best option for people who wanted to fit the programme into their daily lives. It also helped those who were reluctant or embarrassed to talk to their GP to access the diabetes prevention programme themselves. We're hoping to continue our self-referral offering into the coming year.

In Wales, people will soon be supported to reduce their risk of type 2 diabetes. Our lobbying led to the government committing £1 million a year to a three-year project. This means people across the UK will now have access to diabetes prevention programmes.

We also continued to make it easier for people to live healthy lives. We saw real success in our **Food Upfront** campaign, with the UK government passing legislation to make calorie labelling in large takeaways, chains and restaurants compulsory. The regulations will come into force in April 2022.



“

The Diabetes UK website gave us some really useful tips that we were able to incorporate into our daily life. The meal planning options on the website are a good starting point.

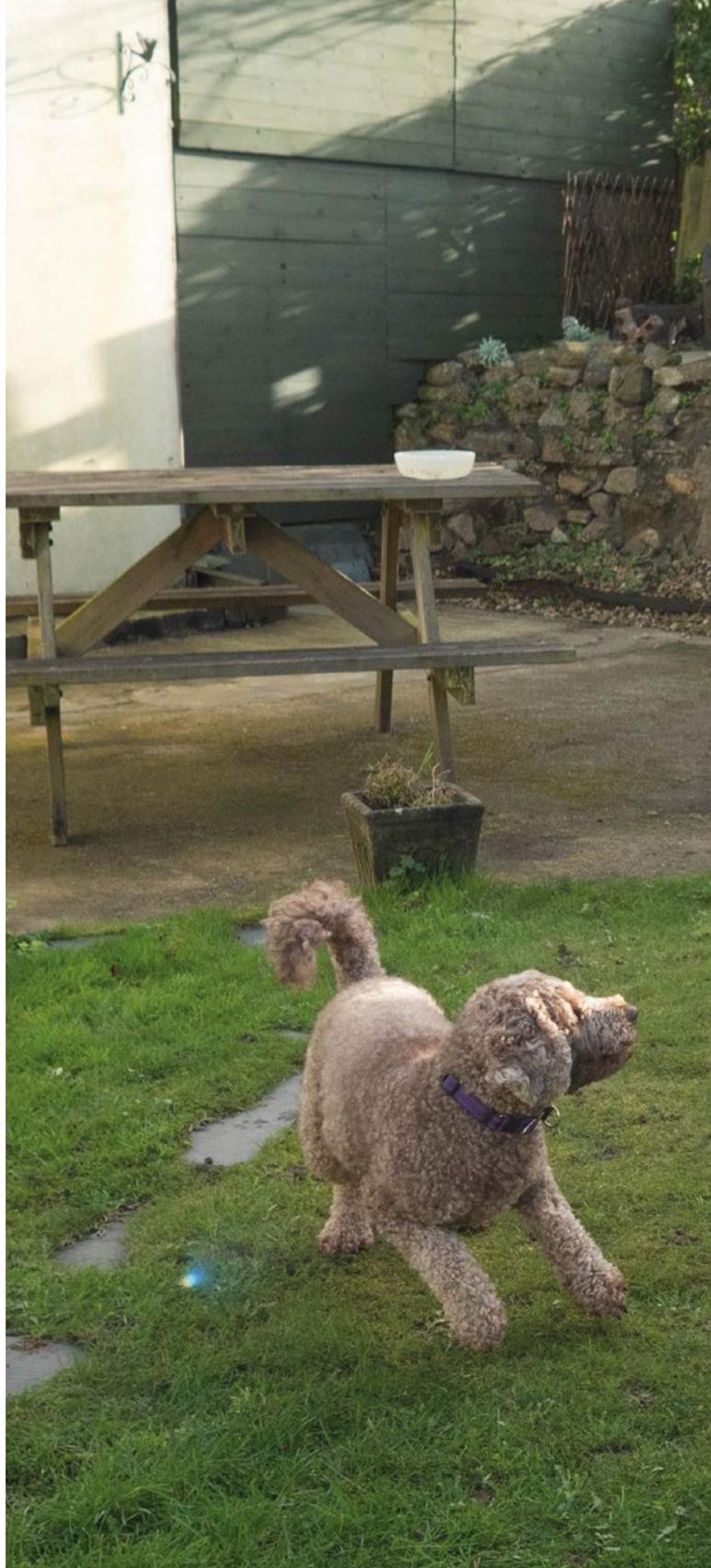
Pat, who was at risk of developing type 2 diabetes, used our website to lose weight and reduce his and his family's risk.”

# LEARNING, LOBBYING AND REDUCING RISK

We continued to invest in research to develop new therapies for obesity and the prevention of type 2 diabetes. And we funded research into gestational diabetes to find ways to improve the health and wellbeing of mothers and babies, throughout pregnancy, birth and in the longer term.

We've also been developing policy that sets out how poverty, housing, employment and the environment around us affects our chances of getting type 2 diabetes and the action that needs to be taken in these areas. We're determined to build on what we've already learnt and start addressing the social determinants of health.

While we saw an increase in people completing our Know Your Risk tool, we want to do more to help those most at risk of type 2 diabetes. We've seen that targeted marketing campaigns can increase awareness and are looking to extend this approach so more diverse and younger audiences can benefit.





“

It's important for me to raise awareness and let people know that it's possible to make lasting changes and prevent or delay type 2 diabetes.

Pat

”



“

I know that Diabetes UK will be there fighting for everyone, making sure diabetes care is at the top of the list when rebuilding and resetting the healthcare system, for every type of diabetes.

”

Lesley is a member of our Diabetes is Serious steering group, who are using their own experiences of diabetes to shape our campaigning.



# **TAKING DIABETES CARE SERIOUSLY**

**In 2021, we put diabetes care centre stage, urging UK governments to take diabetes seriously, supporting healthcare professionals and tackling inequalities.**

# TAKING DIABETES CARE SERIOUSLY

This year, we learnt that around 60,000 diagnoses of type 2 diabetes were missed or delayed due to the pandemic. We wanted to make sure this never happens again and ensure that diabetes care and prevention is a top priority, so we launched our **Diabetes is Serious** campaign.

Thanks to the campaign, 1,550 people contacted their MP and over 40 MPs attended our parliamentary briefing. So far, we've seen promising results with diabetes and obesity prevention prioritised in the government's Build Back Better Plan.

In February 2021, we successfully fought to get people with diabetes who were at greatest risk from coronavirus on the shielding list. Our influencing work with partners saw the NHS set up an assessment tool, helping more people with diabetes onto the list and making them eligible for crucial financial support. And our work to improve access to diabetes technology took a step forward, with the NHS announcing a trial of a hybrid closed-loop system for 1,000 people with type 1 diabetes.

We've already identified the risk factors – including ethnicity and poverty – that impact someone's chance of developing type 2 diabetes. In 2021, we looked further into why these risk factors exist and how we could tackle these inequalities head on. We worked with organisations to influence greater focus on reducing digital exclusion in healthcare, improving remote consultations and the mental health recovery plan.

We launched the **Tackling Inequality in Diabetes Lab** to improve outcomes for people who experience these health inequalities. And we funded studies to delve deeper into these disparities. For example, we discovered that people of South Asian, African and African Caribbean ethnicity with type 2 diabetes are less likely to be prescribed statins – a medication that reduces the risk of heart diseases.

Good diabetes care also relies on the healthcare professionals delivering it. We continued to support them throughout the pandemic, through our leadership programmes. We're looking to independently evaluate these courses to understand how they improve care for people with diabetes. We also connected with local services to keep them informed about the impact of coronavirus on diabetes care, so people understood how and when to access care at all times.

We supported healthcare professionals to better understand diabetes and the needs of people living with it through our virtual professional conference – 72% of attendees said they would immediately apply what they learnt. We saw an increase in traffic to our wellbeing web content, so we added an emotional wellbeing module to our Continuous Professional Development programme. Healthcare professionals completing the course will now be equipped with the skills to carry out supportive conversations about how people are feeling.





# SUPPORT WHEN YOU NEED IT MOST

**Diabetes isn't simple – let alone in a pandemic. In 2021, we reached even more people, helping them to live well during a challenging time.**



This year, we were determined to understand more about the challenges facing people with diabetes to help us provide the best support.

We analysed over 1,000 helpline calls from people experiencing wellbeing issues. We're now able to see the links between what people experience and how it affects their wellbeing, so we can help more people cope emotionally. For example, we're tracking the percentage of people contacting us about hyperts, who are experiencing anxiety or depression. We've also seen increased traffic to our wellbeing web content, which shows people are looking to us as a source of support.

In Northern Ireland, we turned our attention to helping women navigate the menopause, while managing their diabetes. With the help of women across the UK and Ireland, we identified what was missing and set up a supportive, five-week programme.

We know the more you understand diabetes, the easier it is to manage. In Scotland, our **Youth Peer Support Project** brought young people with type 1 together, through buddying up, peer support groups and an online forum. It's created a community of young people who can build each other's confidence.



I've never been a fitness fanatic, but the courses really fired my imagination. I'm doing things now that I wouldn't have been able to do 10 weeks ago.

Mike, who has type 1 diabetes, took part in our Get Moving course after developing complications with his eyes and feet.



# SUPPORT WHEN YOU NEED IT MOST

In 2021, we held our first child-only summer camp in over four years, with 83% of parents reporting a positive change in their child's attitude towards their diabetes.

We also welcomed our 100,000th user to our Learning Zone – a free online tool to help people live confidently with diabetes. This year, we made accessibility improvements to the platform and we're making sure all courses have full subtitling and transcripts available in 2022.

More than 3,000 people got moving as part of our **Live Well, Move More** initiative, with thanks to National Lottery funding through Sport England. And our Get Moving courses helped 233 people become more active – with 35% of participants coming from South Asian communities. We're working to reach as many inactive people as possible and support them to move more with diabetes.



2021



**1,000** helpline calls were analysed from people experiencing wellbeing issues.

**3,000** people got moving as part of our **Live Well, Move More** initiative.

**100,000** people are now using our **Learning Zone**.





# FIGHTING DIABETES WITH YOU

**We can't reach our ambitious goals without the support of partners who share our passion. Here are some of the incredible things we achieved together in 2021.**

We launched a three-year strategic partnership with **Fitbit**, to help millions of people move more, which could help manage their diabetes and reduce their risk of type 2 diabetes. Fitbit supported our One Million Step Challenge, helping us engage with thousands of participants and raise vital funds.

Once again, **Tesco** colleagues and customers stepped up their support as part of our partnership with Cancer Research UK and the British Heart Foundation. In 2021 alone, the partnership raised an incredible £1.9 million for people living with and at risk of diabetes. We also worked together to provide clinically accurate information and support to Tesco colleagues via a new Wellbeing Champion network, and raised awareness of weight management through Tesco's pharmacies.

A three-year grant from the **Garfield Weston Foundation** helped fund our pioneering gestational diabetes clinical trial, which is finding new ways to reduce the harm that gestational diabetes causes for women and their children. **Miss M.J.M Smith's Charitable Trust** supported a groundbreaking research project in Glasgow, looking to help people with type 2 diabetes lower their blood sugars.

The **Eveson Charitable Trust** are supporting exciting research in Birmingham, trying to make beta cell replacement therapy a reality for people living with diabetes.

We were able to launch a new project to support young people in Scotland with type 1 diabetes, thanks to **The National Lottery Community Fund Scotland**. This project is

all about improving their emotional wellbeing, with vital peer support networks.

The **Masonic Charitable Foundation** has supported three of our pioneering PhD Studentships with a donation of £315,000 over four years. This has helped us to investigate how we can prevent type 2 diabetes, improve the diagnosis for gestational diabetes and prevent kidney damage in diabetes.

**Saladmaster** continued to support us by spreading awareness of type 2 diabetes, helping people understand their risk and what they can do to prevent it. And **Boots**

helped us reach even more people at risk of developing type 2 diabetes with our online Know Your Risk tool.

We also partnered with **Pharmacy2U**, who sponsored our helpline, which provides essential information and emotional support to thousands of people each year. And our three-year partnership with **Britvic** came to an end, after raising £500,000 together and supporting 215 schools to deliver better care to young people with type 1 diabetes.

Thanks to these partners, we're able to make every day easier for people living with diabetes and move one step closer to a cure.



## Working with pharmaceutical companies

We're proud to have longstanding and sector-leading partnerships with pharmaceutical companies.

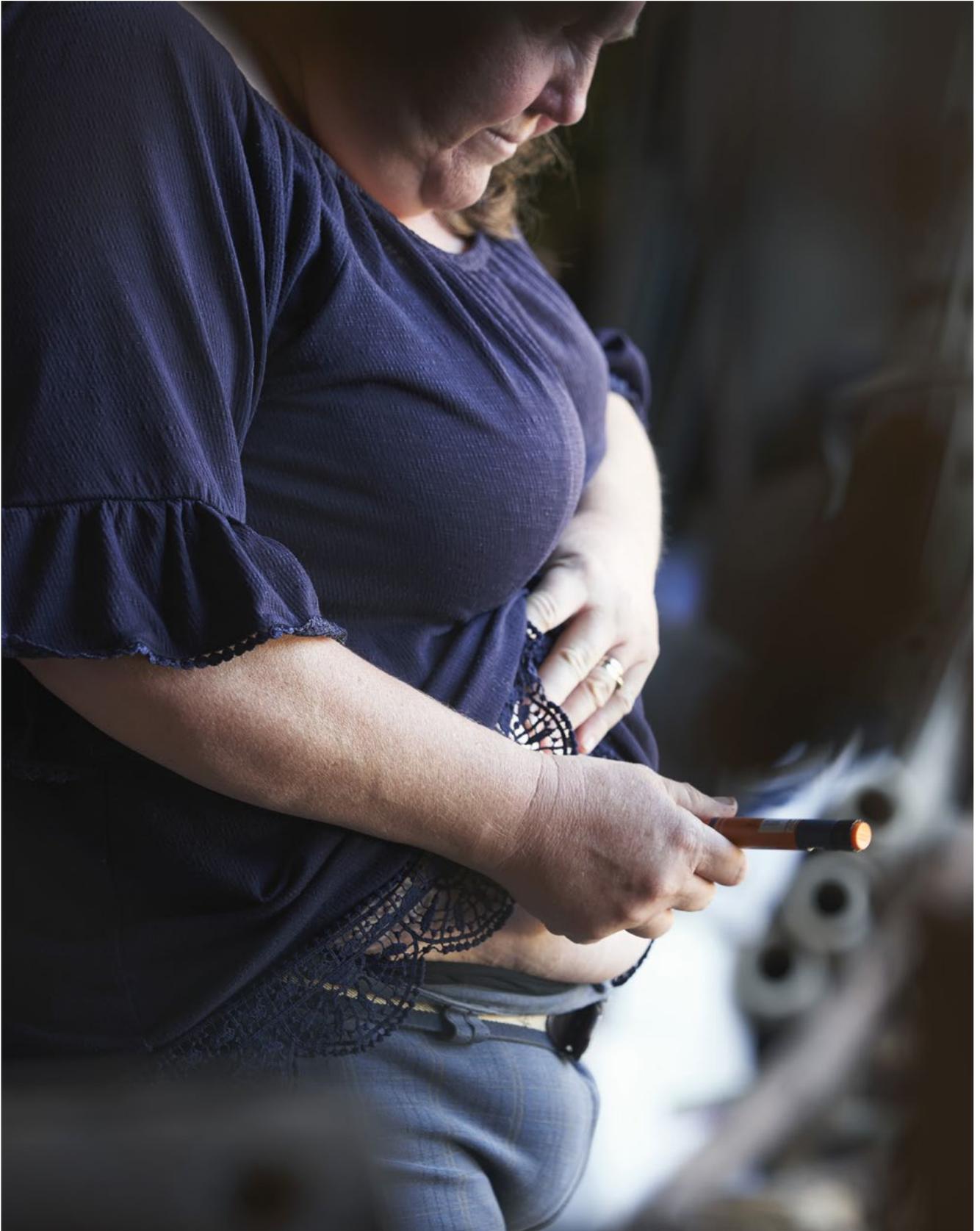
We received £0.8 million from pharmaceutical companies in 2021 which included £0.5 million supporting our work with healthcare professionals and £0.2 million event sponsorship through our trading subsidiary.

In 2021, our long-standing partner **Novo Nordisk** continued to support us, with a focus on our Discovering Leadership and Clinical Champions programmes, which empower and support clinicians to drive improvement in diabetes care. **Sanofi** supported our work to improve the standard of diabetes care in UK hospitals for a second year. And we launched an exciting new partnership with **Roche** to tackle inequalities in diabetes care.

We continued to develop our partnerships with **Abbott, Eli Lilly** and **Boehringer Ingelheim**. Together, they funded our online professional development course for healthcare professionals. In 2021, we launched an emotional wellbeing module on the platform, helping healthcare professionals to understand and support the psychological needs of people with diabetes.

Boehringer Ingelheim also funded our Tackling Inequalities in Diabetes Lab, which is tasked with improving the outcomes for people with diabetes who experience inequalities in care and treatment.

We'd like to thank all our corporate partners, trusts and foundations for their generosity and commitment to achieving a world where diabetes can do no harm.



# TACKLING INEQUALITY

**Diabetes isn't experienced by everyone equally. This year, we increased our focus on tackling inequality in all its forms.**

Your ethnicity, where you live and your income all affect your chances of being diagnosed with type 2 diabetes, the care you receive no matter what type of diabetes you live with and your long-term health outcomes. In 2021, we worked with local communities, decision makers and those providing care and support to learn more about what's needed to change this.

We also published our **Tackling Inequality Commitments**, which set out our plans for the years to come. Here's just some of what we've already achieved.

## **We listened.**

We've listened to those most affected by inequality, our colleagues and our partners to help build our key steps on this journey.

## **We established.**

We've set up **Engaging Communities** teams in all of our regions in England, which has helped us engage and partner with local communities. Through working with community groups, like the British Muslim Heritage Centre in the North of England, we've reached new communities and started learning how we can adapt our information resources and services to help more people prevent and manage diabetes.

## **We reviewed.**

We've looked at how we can better use research to tackle inequalities. As a result, people from diverse backgrounds are now more involved in the panels that guide our research. And we're regularly collecting and publishing data about where our grants are going, so we can track our progress in this area.

# ENGAGING COMMUNITIES

teams are helping us build new partnerships with local people across England.



## We analysed.

Our analysis showed that there was no ethnicity pay gap between roles at equivalent levels, but highlighted a lack of diversity in leadership roles. So we overhauled our recruitment processes, rolled out training to all of our colleagues and, in our latest survey, over 90% of colleagues agreed that people of different cultures and backgrounds are respected at Diabetes UK.

We've also focused on making our governance and decision-making more diverse. Our Board of Trustees is now a much better reflection of the diversity of people with and at risk of diabetes.





Our WhatsApp group has over 70 lads living with type 1. If you're struggling you can send a message and support comes back straight away...



Jon, a PE teacher living with type 1 diabetes and one of our This is Diabetes storytellers.



# LEARNING AND IMPROVING TOGETHER

**People affected by diabetes are at the heart of everything we do. So our success is measured by the real impact we have on their lives.**

To keep us on track with our strategy, we're measuring our impact using data and insight from those living with and at risk of diabetes. This helps us to learn and improve, making sure our resources are going to the right places.

Our helpline is a great example of how we're using this insight to make a difference. We've been tracking the reasons people call us, which has allowed us to respond in real time to people's needs – whether it's updating our website to include a section on safety during the pandemic, or launching our employment campaign to help keep people with diabetes safe at work.

As well as looking at numbers, we've been seeking feedback from the people who use our services and engage with us, to help us understand whether we're doing enough. Within the charity, we've also been working to understand how all of our colleagues can make better use of data. We've been implementing our Better Data Programme to improve the quality of data and access to it, so we can learn and improve together.

Two years into our strategy, we've learnt a lot about measuring impact. A key part of our approach is to make sure we talk more about our impact and what we're learning – just like in this report. The stories highlighted show how we're understanding the impact we're having and learning about what's working to achieve our outcomes.

# THANK YOU

## Trusts and foundations

Cecil Pilkington Charitable Trust

Coronavirus Community Support Fund,  
distributed by The National Lottery  
Community Fund

E B M Charitable Trust

Edwin George Robinson Charitable Trust

Eveson Charitable Trust

G J W Turner Trust

Garfield Weston Foundation

Kilpatrick Fraser Charitable Trust

Masonic Charitable Foundation

Miss M.J.M. Smith's Trust

P F Charitable Trust

Rosetrees Trust

Sport England

The ALLIANCE and Mental Health  
Foundation

The February Foundation

The Foster Wood Foundation

The National Lottery Community Fund  
Northern Ireland

The National Lottery Community Fund  
Scotland

The Simon Gibson Charitable Trust



## Individuals

We'd like to thank all of the philanthropists and their families who give so generously each year. This includes the members of our Banting Circle – chaired by Mike and Angie Rutherford – a group of philanthropists that have joined forces to help create a better life for people with and at risk of diabetes.

Bryan Jenkins

Dr Annalisa Jenkins

David and Christine Thorp

David Dupont

Donald Burt

Kip and Alison Bertram

Mr and Mrs Michael Findlay

Mike and Angie Rutherford

Nigel and Jennifer Cottam

Shaun and Jennie Bowler

Trevor and Evie Pitman

## Corporate partners

Abbott

Agrial Fresh Produce Ltd

AstraZeneca UK

Boehringer Ingelheim Limited

Boots UK Limited

Britvic

Eli Lilly

Fitbit

Next PLC

Novo Nordisk Ltd

Pharmacy 2U Limited

Roche Diabetes Care

Saladmaster UK Limited

Sanofi UK

Tesco

Thornton and Ross Limited

## Regional organisations

Act as One

Bangladeshi Community  
Association Bradford

Bradford VCS Alliance

British Muslim Heritage Centre

Feel Good Factor

Haref

Inspire, Motivate, Overcome

# THANK YOU

Your time, donations, membership and fundraising make our work possible. We couldn't have done any of it without our amazing supporters.



## SIMON & MARK

Simon and Mark took on the world's toughest mountain race in September, raising over £2,000 for Diabetes UK. As part of the Dragon's Back Race®, they ran 250 miles and climbed every mountain in Wales, inspired by Simon's seven-year-old son, who was diagnosed with type 1 diabetes during the pandemic. Amazing work!

## CHERRY BOWMAKER

We'd like to say a big thanks to Cherry, who has been an integral part of the St Helens Diabetes UK Group for over 25 years. She's taken a step back in 2021, but her hard work has meant everything to the people she's helped and the support networks she built have been vital, especially over the last few years.



## CHRISTINE DEAL

Christine, secretary of the Chelmsford and District Diabetes UK group, celebrated living with type 1 diabetes for 50 years by taking a leap into the unknown. She abseiled 150ft down a slate quarry, raising £1,300 for us in the process. Well done, Christine.



## BARRY COKER

After 10 years of fighting for fairer care, Barry has stepped down from his role as chair of the Lambeth and Southwark Diabetes UK Group. We'd like to thank Barry for his dedication to improving access to and quality of care for people living with diabetes in the two boroughs.

# THANK YOU



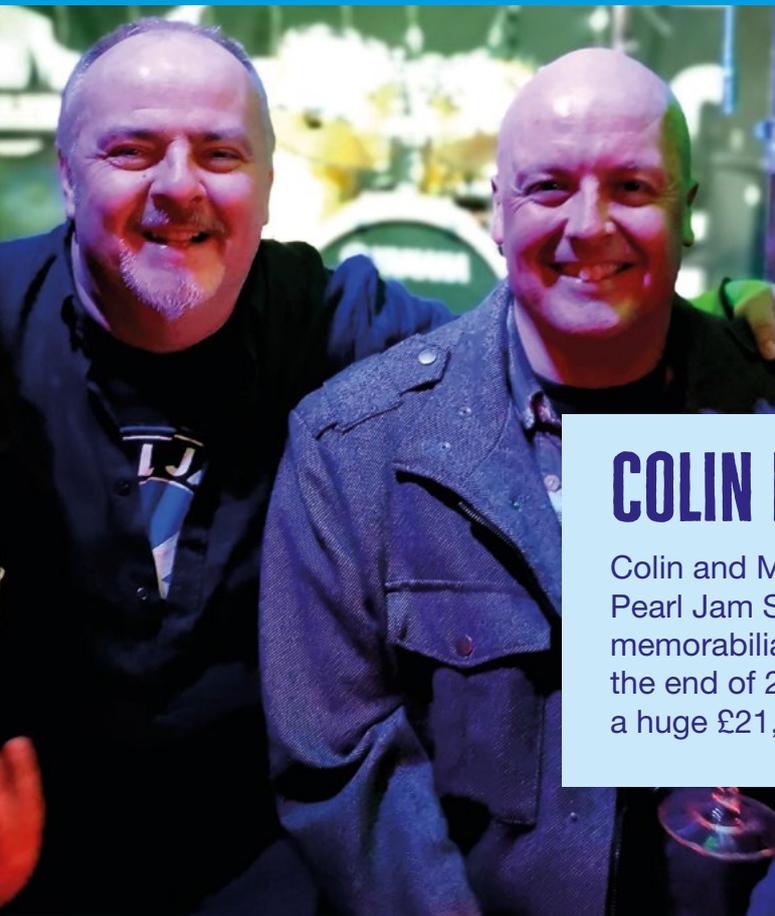
## THE COLERAINE SUPPORT GROUP

Members of the Coleraine Support Group didn't let the pandemic stop them from raising funds and reaching more people with diabetes. In 2021, they moved support meetings online, got their local council buildings to go blue for World Diabetes Day, and raised over £7,000 for diabetes research projects in Northern Ireland. Great job, guys!

## SUE BRIGGS

Novice singer and committed Diabetes UK volunteer, Sue, put lockdown to good use, writing a song about managing her type 1 diabetes, to raise awareness of the relentlessness of the condition. 'The Best That I Can' was released on YouTube to coincide with World Diabetes Day 2021.





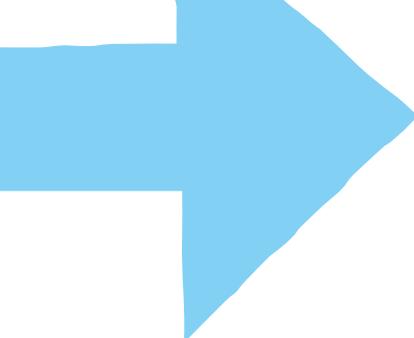
## COLIN RODGER & MARTIN HIGGINS

Colin and Martin rocked out to raise funds with their group, Pearl Jam Scotland. During the pandemic, they raffled music memorabilia, produced a charity album and held a live gig at the end of 2021. Their musical efforts paid off and they raised a huge £21,000 this year alone.

## DR REBECCA THOMAS

Dr Thomas, Retinopathy Research Officer & Informatics Lead at Swansea University, went above and beyond when it comes to supporting people living with diabetes with their eye health. She's passionate about making medical research accessible for all, making easy-to-understand videos and infographics for our social media accounts.

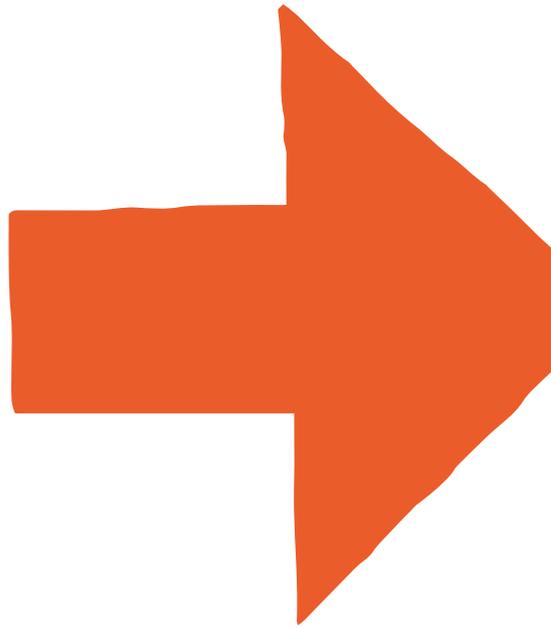




# WHAT WE'RE DOING NEXT

**Achieving a world where diabetes can do no harm is a long-term journey. In 2022, we're going to build on what we started last year and adapt what we do, based on what we've learnt.**

As we begin to move out of the pandemic, we're seeing the huge impact it has had, and is still having, on diabetes care. So we need an urgent focus on recovery. We must act on the stark numbers of those whose diabetes has gone undiagnosed and those who have missed vital appointments.



## Restore and build for the future

One of our top priorities is to influence and support the recovery of diabetes care. We'll make sure diabetes is kept on the agenda, support healthcare professionals and ensure everyone is given the chance to have a quality conversation about their diabetes in the coming year.

The pandemic has also shown us the importance of our information and support for people living with diabetes. We want to make our support is the best it can be, so we're reviewing and reshaping it – making sure we offer a clear journey for those who are newly diagnosed or wanting to put their type 2 diabetes into remission.

We now also have the opportunity to accelerate research to cure or prevent type 1 diabetes. We'll work with our partners to get new treatments to people sooner.



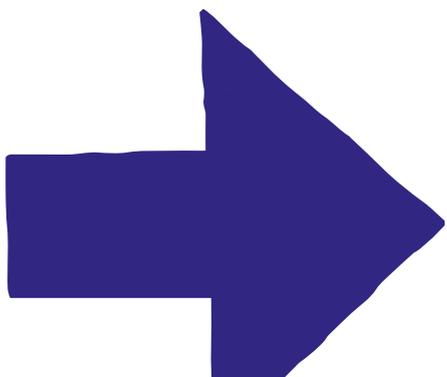
## Drive inclusion and equality

Our work to tackle inequality has taken big strides forward and we want to embed this further across the charity. In 2021, we established our commitments to help us address inequality in all its forms. Our internal Equality, Diversity and Inclusion strategy and our Tackling Inequality Commission will help us understand which areas will have the biggest impact for those experiencing inequality.

And we'll develop ways to play more active roles in addressing poverty and deprivation – two factors we know increase the risk of type 2 diabetes, obesity and poorer outcomes for all types of diabetes.

## Improve our effectiveness

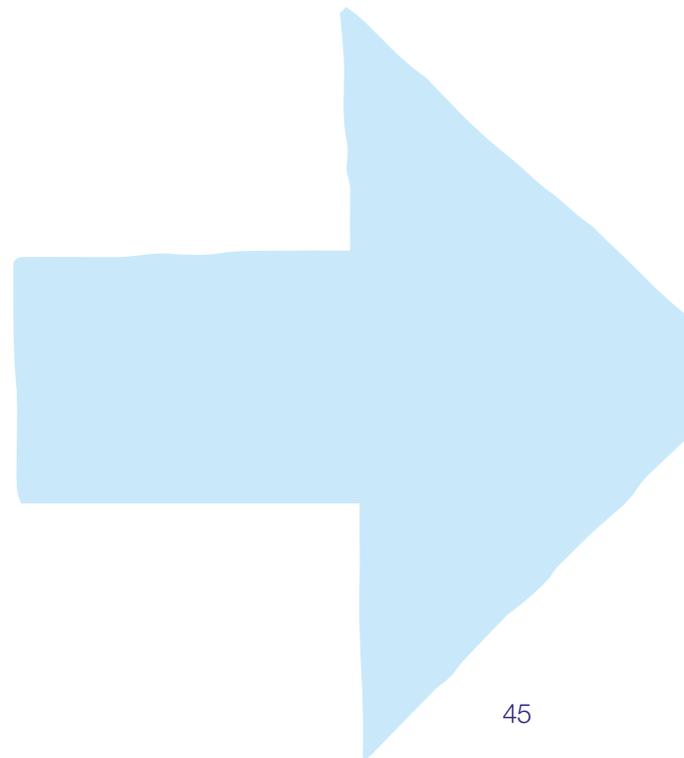
To deliver these plans, we'll continue to focus on increasing income and inspiring more support for our cause, building on the success of our fundraising and our This is Diabetes campaign. And we'll improve our effectiveness to grow our impact and reach, through our Better Data programme and Future Ways of Working trial.



## Longer term plans

Alongside these priorities, we're looking even further ahead and developing plans that will shape our impact in the future. Diabetes and obesity stigma limits lives and potential. In 2021, we sought to understand even more about this stigma and how it affects people's lives. In the future, we'll develop a long-term vision with a view to growing this work.

We know our work is stronger when we put the experiences of those living with diabetes at its heart. We'll continue to review how we do this and look at how we can build our approaches to engaging with communities, particularly those with lived experience of inequality.



# GET INVOLVED

Without you, we couldn't achieve our vision of a world where diabetes can do no harm. Here are some of the ways you can be part of our fight.

## Donations

Your donations help us fund everything from campaigns and support spaces to our helpline. Thank you.

[diabetes.org.uk/donate](https://diabetes.org.uk/donate)

## Corporate partners

Help raise awareness of diabetes and provide vital support to those affected by or at risk of it.

If you'd like to team up, get in touch at [partnershipenquiries@diabetes.org.uk](mailto:partnershipenquiries@diabetes.org.uk)

## Philanthropists, trusts and foundations

Help us fund research, our helpline and our Learning Zone. Find out how you, your Trust or Foundation can help by contacting [philanthropy@diabetes.org.uk](mailto:philanthropy@diabetes.org.uk)

## Challenge yourself

Whether it's walking, running or cycling, we have a range of fundraising events to get involved with – both in person and virtual.

For more on how to get involved, go to [diabetes.org.uk/how-to-help](https://diabetes.org.uk/how-to-help)

## Become a member

Help us make sure more and more people get the support and care needed to live confidently with diabetes.

## Leave us a gift in your Will

More than a third of our income is from gifts people leave us. It makes so much of our work possible.

## Volunteer your time

Run events, raise awareness in local communities or provide advice at one of our local groups. Our volunteers are the backbone of our organisation.

## Join our campaigners

You could be fighting to secure government changes at a national level one day and pushing for local care improvements the next.



# GET SUPPORT

## Talk to us

We have a dedicated helpline for anyone living with diabetes, their family or friends, and people who are worried they might be at risk.

Our team can provide advice on practical issues like driving or problems at work, or talk through any social, emotional or psychological difficulties you might be facing. If you're having a bad day, need some advice or just want to chat to someone who understands, we're here.

Call **0345 123 2399**

Monday to Friday, 9am to 6pm

Email **helpline@diabetes.org.uk**

## Go online

Our website is packed with useful information and tips to help you learn more about diabetes. More advice and help is available from our interactive Learning Zone, online support forum and Facebook and Twitter communities. They're ready and waiting to answer your questions and point you in the right direction.

**diabetes.org.uk**

**learningzone.diabetes.org.uk**

**forum.diabetes.org.uk**



**/diabetesuk**

**@DiabetesUK**

## Join a local group

If you love to meet and talk to people in your area, check out your local support group. We run more than 330 of them up and down the UK, with many of them meeting online, too. Our groups are filled with people who've been there, done that and got the Diabetes UK t-shirt. Along with providing support and understanding, they also raise awareness, campaign, fundraise and organise social events.

Find your nearest group:

Visit **diabetes.org.uk/groups**

Call **0345 123 2399**

Email **info@diabetes.org.uk**



**DiABETES UK**  
KNOW DIABETES. FIGHT DIABETES.

# HOW WE'RE RUN



**Our governance and  
financial statements**

## Overall

We saw reduced levels of uncertainty in 2021 when compared to the previous year but there were still a number of pandemic-related factors at play and we ended the year with a £1.0 million surplus. We had planned to make a deficit in the year unexpectedly received a large legacy which meant that total income in this area was significantly above our original expectation. This surplus will be used to fund activity against our strategy in 2022

We stated our intention in the 2020 annual report to re-establish activities impacted by the pandemic in 2021 and we were able to do that in many areas, while applying what we've learned about new ways of working. For example, our Family Weekend events returned with 170 people (children with type 1 and their families) attending through the year, and we ran our Professional Conference online in 2021. With continuing restrictions there were some areas where we underspent due to not being able to run activities as hoped, but overall we were able to increase our spend on charitable activities in 2021 compared to 2020 which was a positive result.

We were also able to grow our income in 2021 thanks to the incredible generosity of our supporters, with a total income figure for the year of £37.9 million. This figure reflects the significant legacy mentioned above, as well as the return of activities which were heavily impacted by the pandemic including our community fundraising teams.

We continue to look ahead and consider risks and opportunities of the changing landscape, paying particular attention to our income forecasts and spending.

## Income

In 2021 our income grew compared to the prior year by £0.2 million to £37.9 million. Our legacy income increased to £16.5 million, £0.3 million higher than in 2020, and we continue to be grateful to the many supporters who choose to leave us a gift in their Will. Other donations remained consistent with 2020 at £14.3 million with continuing restrictions impacting several areas of our fundraising portfolio including in-person events.

The health and fundraising partnership between ourselves, Tesco, the British Heart Foundation and Cancer Research UK raised £1.9 million for Diabetes UK in 2021, down slightly from £2.5 million in 2020. The final year of the current partnership is 2022.

Activities that generate income and also help us to meet our charitable objectives brought in £2.9 million in 2021, slightly up from £2.8 million in 2020. A small portion of the increase reflected that a number of in-person events ran in 2021 which had not been possible in the prior year. Within this area we received government funding in respect of the additional cost of research grants impacted by the pandemic, after successful lobbying by the Association of Medical Research Charities.

We claimed £0.1 million under the Coronavirus Job Retention Scheme, as shown in note 7 to the accounts, compared to £0.5 million in 2020. Our priority through the pandemic has been to ensure that we continue to provide support to people living with diabetes, and we only used the scheme where employees both could not fulfil their role due to restrictions imposed to control the virus, and could not be redeployed to meet demand for services elsewhere. We have adapted to the constraints of the pandemic and therefore in 2021 made significantly less use of the furlough scheme than we had in the prior year – with 17 individuals furloughed at the end of the scheme in September 2021 compared to 42 in the prior year, with all of those 17 only furloughed part time and most only one day each week.

## Expenditure

We spent £37.4 million in 2021, £0.7 million up on 2020. Spend remains below 2019 levels as we have found more cost-effective ways to deliver some of our activities, while some others were still not able to go ahead as planned in 2021 as restrictions on face to face events continued.

In 2021 spend on our work to cure or prevent diabetes grew by £0.6 million to £5.2 million, primarily due to new research projects being approved related to this objective. A total of £6.5 million was spent on research compared to £5.9 million in 2020.

We increased our spending on work to ensure that people with diabetes are able to live well to £7.1 million in 2021, up from £6.4 million in the prior year. The movement mainly reflected a number of ongoing projects in this area which are funded by bodies including Sport England for the 'Live Well, Move More' programme that supports people with diabetes to use physical activity as a way to manage the condition. In addition a number of in-person Type 1 Family Weekender events ran in 2021 which had not been possible in the prior year.

We spent £10.5 million on our work to promote better care in 2021, £0.9 million less than in 2020 but part of this movement related to new ways of working – for example the virtual Professional Conference run during the year cost less than an in-person event. Going forward we will be trialling a hybrid approach to the Professional Conference as we recognise the benefits of both online and in-person meetings. We continue to strive better care for people living with diabetes by working with the NHS, national governments and healthcare professionals.

We spent about the same amount in 2021 on our efforts to prevent type 2 diabetes (£2.9m) and continue with our key activities in this area to ensure that people know their risk of developing the condition and are supported to take action.

Our spend on activities related to remission of type 2 diabetes increased by £0.4 million in 2021 compared to 2020, to a total of £2.2 million.

The movement related primarily to work we are undertaking to engage communities around the topic of remission after the Diabetes UK-funded Diabetes Remission Clinical Trial (DiRECT) inspired the NHS to offer a low-calorie diet programme across England with the aim of helping individuals put their type 2 diabetes into remission.

Our strategic outcomes are supported by our drivers – fighting diabetes with you, addressing and fighting inequality, harnessing technology and learning and improving together. We have apportioned these costs across the outcomes above as they directly support their work.

Our expenditure on raising funds was only slightly higher compared to 2020, standing at £9.6 million in 2021 compared to £9.5 million in the prior year. We're continuing to ensure that our investment here is used effectively and in a way that reflects the changing fundraising landscape.

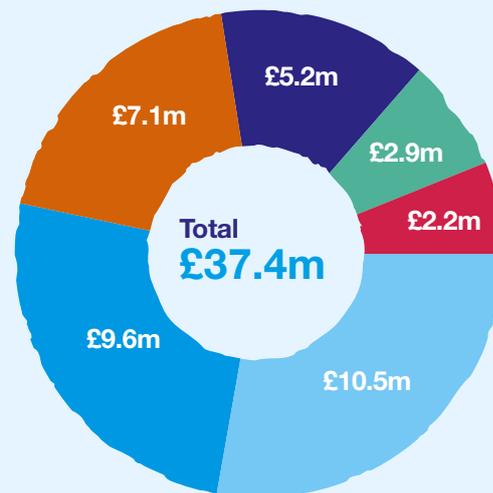
# INCOME AND EXPENDITURE

## Income



- Donations and legacies
- Other trading activities
- Income from investments
- Income from charitable activities

## Expenditure



- Better Care
- Living Well
- Cure or prevent
- Prevention
- Remission
- Expenditure on raising funds

## Our approach to reserves management

Diabetes UK holds financial reserves for several practical reasons, these include:

Ensuring we are able to continue to fund our vital work should our income fall below target. Our reserves should give us time to adjust expenditure without causing undue disruption to the research programmes and lives of people our work supports.

To provide working capital to meet upfront expenditure during the year before income is received.

To provide resource for investment, for example, developing services and ensuring we maximise our reach e.g., by developing our virtual offerings and ability to engage people at scale

As at 31 December 2021, Diabetes UK total reserves were £20.3 million, of which £0.6 million were restricted under trust law to specific use (see below). In line with the Charity Commission definition, unrestricted funds excluding tangible fixed assets, our general reserves stood at £18.6 million. As shown in note 25, Diabetes UK has £10.4 million research grant commitments which are not deducted from this measure of reserves.

In common with many charities who fund long term research work, we operate a liquidity measure of reserves so that we can plan to meet our commitments as they fall due as well as deal with risk and investment opportunities, outlined above. In early 2021, we reviewed and updated our minimum tolerable level of reserves to £13.9m, which is equivalent to 4.5 months projected forward cashflows. We also set a target reserves range equivalent to 4.5 months to 6.5 month's forecast forward cashflows (£20.1m) in order to encompass likely volatility in liquidity levels overtime. Our current liquidity level of £24.8 million supports our approach to invest strongly in research, services and reaching people with diabetes in 2022.

## Our approach to investments

We manage our reserves as a combination of cash and investments. Cash reserves can be accessed quickly if we need them, while investments guard them against being eroded by inflation over time. Reserves that we don't expect to draw down for several years are held in securities as part of an investment portfolio. We review the amount of reserves held in our portfolio annually as part of our budget process. Our Finance Committee reviews the underlying principles of our investments at least annually. The investment portfolio is managed on our behalf by Smith and Williamson who are asked to choose a portfolio to give us the best financial return within an acceptable level of risk. They provide us with regular updates and we assess their performance throughout the year

During 2021, we made a gain on investments of £0.5 million (2020: £0.3 million loss) or 7.25% net of fees, which we consider acceptable given performance of relevant benchmarks. We have a long-term target return of Consumer Price Index (CPI) plus 3% (measured on a total return basis net of all fees) and performance is currently in line with this ambition.

We only hold cash with creditworthy financial institutions and deposits are sufficiently diversified to manage risk. We aim to place no more than £5 million in an individual institution, and we do not commit funds for more than 12 months. Placement in any new institutions must be approved by the Finance Committee.

## Pensions

Diabetes UK provides employees with the opportunity to participate in a defined contribution pension scheme. In the past, we also provided a defined benefit scheme. The scheme is subject to a formal triennial funding valuation, with the most recent completed on 31 December 2019. This showed a strong position with a funding surplus of £0.4 million. The next valuation on 31 December 2022 will be available in 2023. For financial reporting purposes, the actuary carries out a separate annual valuation in accordance with FRS 102: Employee Benefits, in which different funding assumptions are applied. The FRS 102 valuation on 31 December 2021 showed a deficit of £0.2 million (2021: £1.7 million) and is further explained in note 30 to the financial statements.

The Directors of the charity work closely with the Trustee Board of our pension scheme and their fiduciary advisers to review valuation reports, review sponsor risks and build the impacts of these into our financial modelling. This enables us to understand any risks to our finances and manage them such that we remain able to achieve our charitable objectives.

## Going concern

The Board of Trustees has reviewed Diabetes UK's activities, financial position and risk management policies together with factors likely to affect future development, including the impact of economic uncertainty on voluntary income. The financial impact of the pandemic continued to be central to these assessments, applying what we have learned including a reassuring level of resilience in our income. The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

## Audit

Crowe UK LLP have expressed their willingness to continue in office, and will be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

## Risks and uncertainties

We are committed to effective risk management and have adopted the Three Lines of Defence Model, an established framework. We reviewed our overall approach with our internal auditors in 2021 and have actions in place to strengthen practice over 2022, including mandatory training for all managers.

Risk management forms an integral part of our planning processes and project methodology, including how we organise our many events. We encourage our employees and volunteers to notice, and report risks as a normal part of their work.

The Executive team discusses new risks, and changes to existing risks, on a regular basis, and holds in-depth quarterly reviews of our corporate risk register. Our Audit and Risk Committee, and the Board of Trustees, have overall responsibility for ensuring we have appropriate systems and processes in place to manage risks. They review our most significant risks regularly.

### **Our key risks in 2021, and our mitigations for those risks are:**

**Not making the best strategic choices and losing sight of our strategic vision whilst responding to the pandemic crisis.** If we do not do the right things at the right times, our ability to improve the lives of those affected by diabetes will be limited. This area has become even more critical for us since the pandemic has shifted our areas of focus and changed the way in which we work and engage with people living with or affected by diabetes. Our decision to adopt an outcomes focus for our 2020 to 2025 strategy has

provided us with clear direction for through the pandemic and beyond, and a focus on the goals of our strategy has helped us to be responsive to new needs while maintaining a longer term vision in these challenging times. The approach also provides us with regular opportunity to review our plans and ways of working, ensuring we make the best use of our assets to maximise the impact of our work.

**Not engaging sufficiently with those affected by diabetes.** To be viewed as a reliable advocate, and meet the needs of people with diabetes, we need to engage with their experiences, insights and aspirations. A key part of planning and developing our work is ensuring we engage, work with and build communities for people with diabetes. This has been a key focus for 2021 as we have found new ways of support people through Covid and its impact. We have also focused on how our use of technology can strengthen, broaden and deepen our links to people with diabetes, so that our work continues to reflect their views and challenges, adapting our face-to-face support offers, working closely with key partners such as the NHS, and further developing our digital service offers.

**Not working effectively with other agencies.** We cannot create a world where diabetes can do no harm alone. It is vital that we have close links with key organisations, such as the NHS, and can drive forward the needs of people with and at risk of diabetes in a way that recognises the financial and capacity pressures they face, particularly in the wake of the coronavirus pandemic. Building partnerships and working with others to increase our efficacy and impact is a key aspect of our strategy and in 2022 we are looking at ways we can become more active partners in movements which also address inequality and social determinants of health.

**Income targets not being met.** Without income growth it will be more difficult to deliver our ambitious strategy and we have already experienced fresh challenges in fundraising as a result of the pandemic. A key element of our

strategy focuses on how we can engage and mobilise people to increase our income including developing new and innovative ways to generate income. We continue to invest in fundraising, with additional caution around expected return, and undertake reviews of our plans to grow engagement and income, ensuring we are focusing on the activities that will accelerate our progress at this critical time.

Assurance reviews of controls and processes within key areas of risk management take place each year. In 2021, we engaged BDO LLP as our internal auditors and have agreed a three-year plan of internal audits, increasing the number of internal audits we do. This third-party view alongside our own internal reporting provides assurance to trustees that we have identified and are managing the risks Diabetes UK faces.

## Our approach to modern slavery and our supply chain

We remain committed to continuously improving our processes to combat slavery and human trafficking in our business and supply chain. We carry out due diligence on our suppliers and have continued to embed a refreshed procurement approach this year with additional procedures for suppliers considered to be higher risk. This will ensure we continue to only select suppliers who comply with our high standards and policies. Our full statement is available on our website.

## How we're organised and governed

The Diabetic Association was set up in 1934 by the novelist HG Wells and Dr RD Lawrence, who both lived with diabetes. We changed our name 20 years later to The British Diabetic Association and this remains our legal name. Since 2000 we have operated as Diabetes UK.

Diabetes UK is a company limited by guarantee and registered with the Charity Commission in England and Wales and the Office of the Scottish Regulator in Scotland (OSCR), which is the independent regulator and registrar for Scotland's charities. This means our trustees are also company directors and subject to both company and charity law.

We work across all four nations, adapting our services as appropriate to relevant regional and local circumstances as well as need.

## Our Board of Trustees

Our Board of Trustees – referred to as the Board from now on – has collective responsibility for everything we do and is responsible for:

- our overall strategic direction, including evaluating progress against our strategic plans
- ensuring our financial stability
- acting in the best interests of our organisation
- ensuring that we comply with our governing documents, and any other relevant legislation.

The maximum number of trustees permitted under our Articles of Association is 14, and during 2021 they numbered between 12 and 14. Trustees are usually appointed for up to three years and may be re-appointed for two further terms of up to three years but cannot serve for more than a continuous period of nine years.

The Board benefits from the wide range of skills and expertise across different disciplines that its trustees bring, as well as personal experience of living with diabetes and experience as a healthcare professional.

## Trustee recruitment

A sub-committee of the Board – our Governance and Nominations Committee (GNC) – is responsible for overseeing the recruitment and appointment process of trustees. We recruit trustees through open advertising or more targeted recruitment searches when appropriate to ensure that we have right balance of skills and experience that we need. An induction programme is put in place upon appointment, and all trustees meet the Chair of the Board on a one-to-one basis.

During 2021 we were able to resume planned trustee recruitment and as noted below increasing diversity was a key priority within the context of meeting recommended practice in the Charity Governance Code. We worked with an executive search agency to identify potential trustees who would increase the diversity of the Board as well as bringing their experience of public health bodies and/or financial skills.

Following the recruitment process, four new trustees were appointed from 30 September 2021, including two bringing experience from Scotland and Northern Ireland respectively. A fifth trustee was also appointed, who will take up trusteeship from May 2022 when a current trustee retires.

A key part of our planned recruitment activity in the second half of the year was to recruit a new Chair of our Trustee Board to succeed Sir Peter Dixon on his retirement on 31 December 2021, after nine years of leading the Board. Our warmest thanks are recorded to Peter for everything he has done for us during his time as Chair.

Working with the same search agency we were delighted to appoint Dr Carol Homden CBE as the new Chair with effect from 1 January 2022.

## Charity Governance Code

The Board first adopted the Charity Governance Code in 2019, and as noted above, identified increasing diversity on the Board as a key priority. GNC reviewed the updates to the Code focusing on the more significant changes to the renamed Principle 6 – Equality, Diversity, and Inclusion and the four stages of practice it recommends.

We had already begun work on these themes – internally within the charity as well as externally. Our 2020-25 strategy focuses our work on five outcomes with four outcome drivers. One of the outcome drivers is Tackling Inequalities so the opportunity to align the updated recommended practice in Principle 6 with planned work was welcomed.

At the Board's Away Day, trustees considered a set of draft commitments about how we will embed tackling inequality in how we work, which is intended to communicate our values and ambitions. This will be supported by a delivery plan with milestones and measures which underpin the work.

## Board meetings

Our Board usually meets six times a year, holding one meeting as an annual away day where trustees and the Executive team (the Chief Executive and senior staff colleagues) together can explore key strategic issues in more depth.

During 2021, with social distancing restrictions remaining in place, the Board's first four meetings of the year were held by video-conference. Most trustees were able to attend the last two meetings of the year in September and November in person.

## Sub committees of the Board

The Board delegates some areas of its work to sub-committees, which usually meet between three and four times a year. The sub committees of the Board are:

# BOARD OF TRUSTEES

### **Audit and Risk**

Oversees the financial audit and reporting process; reviews the effectiveness of the independent audit process; leads on reviewing risk and monitors compliance with external requirements and internal policies.

### **Finance**

Oversees and reviews all financial aspects and advises the Board accordingly; evaluates the annual budget before board approval.

### **Governance and Nominations**

Ensures that we have sound governance arrangements so we can achieve our charitable aims and the highest possible standards of governance; leads on trustee recruitment.

### **Remuneration**

Considers the total rewards policies, including remuneration and benefits, of the whole organisation as well as considering broader staff satisfaction and people metrics, and recommends organisation-wide pay increases for Board approval.

### **Research**

Assesses and approves applications for funding for basic, clinical and health services research, within the guidelines set by the Board and in accordance with the Association of Medical Research Charities' recommended best practice.

Membership of our sub-committees is made up of trustees, with most serving on at least one. Exceptions are our Governance and Nominations Committee – there are two non-trustee members including the committee chair as well as trustee members; and our Research Committee, which is made up of non-trustee members who have specialist expert knowledge across all our varied areas of research.

## Key stakeholders – our advisory groups

We are very grateful to the following permanently established advisory groups, who help us enormously, and whose meeting minutes are circulated to the Board:

### The Council of People Living with Diabetes (CPD)

CPD informs our work so that we focus on what really matters to people living with diabetes. There are around 25 members, drawn from all four nations. Members include people with direct experience of type 1 and type 2 diabetes as well as carers and parents of children with diabetes.

### The Council of Healthcare Professionals (CHP)

CHP helps us provide effective support and advice to the wider community of healthcare professionals working in a range of disciplines and settings. There are around 20 members drawn from all four nations.

### National Advisory Councils in Scotland, Wales and Northern Ireland

Our national directors have the support of advisory council members with experience and expertise on specific issues. Council members include healthcare professionals and those living with or affected by diabetes.

## The Science and Research Advisory Group

This group is made up of both professional and lay members who help us review research in our field and makes recommendations to the Board on those strategic areas which will have the most impact.

## How we organise our work

The Board delegates responsibility for operational management to our Chief Executive, who leads the Executive team. We have seven directorates, each led by an Executive team member.

# CHIEF EXECUTIVE

Policy, Campaigns and Improvement

Engagement and Fundraising

Operations

Research

Health Intelligence and Professional Liaison

People and Organisational Development

Corporate Services

## Subsidiaries and related parties

We have a wholly owned trading subsidiary – Diabetes UK Services Limited. Its principal activities relate to corporate sponsorship, fundraising events, sales of various seasonal goods including Christmas cards, and income from promotional activities. The accounts for the subsidiary are consolidated in the accounts presented on page 101.

The company did not perform as well as in 2020; exhibition sponsorship was limited as our professional conference was held online. The taxable profit of 0.6m (2020: £1.3 million) will be donated to Diabetes UK under Gift Aid. We anticipate performance will improve in future years as we re-establish activities that were curtailed by the pandemic

## How our work delivers public benefit

We have a duty to report on the public benefit that we deliver under section four of the Charities Act 2011. Taking the Charity Commission's guidance into consideration, the Board is satisfied that our public benefit requirements have been met.

We provide a range of direct services and practical support to people affected by diabetes or at risk of diabetes.

We train and support healthcare professionals from a wide range of disciplines to improve diabetes services in their local areas.

We continue to commit more of our own funds to research – building our knowledge of diabetes, developing improved treatments and, one day, finding a cure.

## How we fundraise

We're almost entirely reliant on donations to fund our work. Without the public's generosity we wouldn't be able to support people with or at risk of diabetes or make research breakthroughs.

We are registered with the Fundraising Regulator and are open about how we raise our funds. We continually strive to adhere to the Code of Fundraising Practice and are committed to the Fundraising Promise. We are also a member of the Chartered Institute of Fundraising and the Direct Marketing Association. This report covers the requirements charities must follow as set out in the Charities Act 2016.

We seek to minimise the risk of breaches of fundraising compliance through training and inductions for new employees and implementing compliance policies. We will proactively engage with the Fundraising Regulator and other bodies as needed to ensure that any concerns raised are addressed as a priority.

Our generous supporters raise money for us in many different ways including fundraising in their local communities and through our local groups. Although many of our activities have been able to resume in 2021 after not happening in 2020, restrictions meant that we still ran fewer in-person events than we did in 2019. However we continued to run our popular 'virtual challenges' including One Million Step Challenge and Swim 22 and welcomed the return of key events like the London Marathon.

We have partnerships with a number of organisations, including some commercial participator agreements and see partnership working as a crucial route to achieving our mission. We have safeguards in place with our partners to ensure that we do not compromise our independence in any way. We're also supported by a number of charitable Trusts and Foundations, as well as philanthropic gifts from donors.

People can sign up to make a regular donation, play our lottery, or become a member through a variety of routes. These normally include fundraising door-to-door or on privately owned sites such as shopping centres. We also ask people to give to us through our regular appeals, our raffles or by leaving a gift in their Will.

Some of our fundraising activity is conducted on our behalf by carefully selected fundraising agencies who ask people if they would like to take part in our weekly lottery or become members. Due to the pandemic most of this activity has taken place over phone this year where we've had permission to talk to people.

We work very closely with our agencies to ensure they represent our work and our organisation to the very highest standards. We monitor our agencies regularly, using a range of methods, to ensure that everyone who works on our behalf adheres to our high standards. Monitoring methods include call listening, shadowing and mystery shopping.

Our website outlines our complaints process clearly. In 2021 we received 19 complaints about fundraising. We have responded to every complaint and ensure we resolve, learn and take action to prevent issues happening again. We report the number of complaints we receive each year to the Fundraising Regulator. We also publish an internal complaints report that is shared with our directors.

We train and support our staff and agencies to identify and protect people in vulnerable circumstances in accordance with our Vulnerable People Policy. All of our direct marketing communications contain clear instructions of how a supporter can easily opt out of receiving any further communication should they wish to. We are also signed up to the Fundraising Preference Service to enable people to let us know that they do not wish to receive fundraising communications from us. We received 21 requests from this service last year.

A controls framework is in place for effective internal governance of our fundraising. The Board receives regular reports on performance, compliance and plans. Our Audit and Risk Committee considers our fundraising compliance in more detail and the Finance Committee looks closely at our financial performance. In addition, we have reviewed in detail and reported on the controls we have in place relating to each area of accountability covered in the Charity Commission's guidance set out in CC20 Charity fundraising: a guide to trustee duties.

## Our staff

Our aim at Diabetes UK is for colleagues to thrive and be at their best while working here. This has been especially important during a year when the coronavirus pandemic has continued to significantly affect how we work, although we have taken the opportunity to trial a new way of working, taking advantage of everything we have learnt during the pandemic, to maximise what we can achieve for people living with and at risk of diabetes.

The wellbeing of our staff was a particular focus. We provided additional training, online resources and opportunities for colleagues to come together, virtually, formally and informally. This was on top of our existing Employee Assistance Programme and team of Mental Health First Aiders.

## Equality

We are committed to equality of opportunity for all employees. Our employment practices, policies and procedures aim to ensure that no employee or potential employee receives less favourable treatment as a result of protected characteristics. In 2021, we completely changed our recruitment processes and systems, with a new format for articulating each job description and to introduce anonymised shortlisting. This has been very successful in mitigating the effects of any

unconscious bias in the shortlisting stage, as we are seeing a diverse range of candidates getting through to interview. We publish the recruitment diversity data every quarter, and we are continuing to learn how we make Diabetes UK more diverse and inclusive.

We are committed to making reasonable adjustments required by colleagues, where it is reasonable and possible to do so. This includes asking job applicants how we can best support them to participate in our recruitment and selection processes. We offer a range of flexible working options and support colleagues who have agreed Access to Work contracts.

## **Training and development**

We redesigned our induction programme in 2021 so that every new colleague attends four modules where they learn about the charity's work and strategy, meet our Executive Directors, and learn more about diabetes. This is supplemented by a local induction plan of meetings, e-learning and events, such as monthly 'knowing diabetes' sessions.

After this initial induction training, we encourage all colleagues to agree a personal development plan with their managers. Our learning and development offer includes a range of in-house opportunities, as well as opportunities to apply for funding to take part in external courses, conferences and qualifications. Our funding decisions are based on relevance to a colleague's role and the needs they have identified. In 2021, we have reviewed our training programme to have some opportunities available in person and many available online, so that it remained accessible to colleagues, wherever they were working and optimises their development.

## **Consultation and communication**

At Diabetes UK we have regular meetings with trade union representatives, through our Joint Consultative Committee, and our Colleague

Forum. The Colleague Forum is made up of staff representatives from each of our directorates. These meetings are opportunities to talk with colleague representatives on charity-wide matters and proposed changes, and to learn more about topics that are important to them. This year the Forum continued to play a vital role in helping us to connect with colleagues, especially when considering the trial of our future ways of working and what might need to change so we can do our best work.

We chose to run regular pulse surveys in 2021 to keep in touch with how colleagues were experiencing the impact of the pandemic, their well-being, and how they were experiencing the future ways of working trial.

Colleagues have regular 1:1 meetings with their managers and we encourage managers to run regular team, department and directorate meetings. These help individuals and teams understand how they contribute to our work and the progress their directorate is making against agreed plans.

Across the charity, staff are kept up-to-date in a variety of ways. The intranet is a hub of organisational news and information, and a summary of key articles is distributed to all staff in a weekly e-newsletter. Our directors and assistant directors run quarterly townhall events to report on progress against the annual plan. In 2021, we utilised a number of ways to keep colleagues updated about our strategy, projects and key pieces of work through shorter online conversations, presentations and vlogs.

## **Pay and benefits**

Our approach to remuneration is designed to ensure we can attract and retain talented and motivated people with the right experience and skills. We aim to pay competitively, within the context of affordability, and benchmark our salaries and benefits against other similar organisations.

We have a simple and transparent job evaluation process, using an externally recognised benchmarking tool, to set our pay bands. We also have a recognition scheme in place and a range of benefits.

Our trustees have overall responsibility for our pay policy including the salaries of our Chief Executive and other Executive team members. Our Remuneration Committee – comprising the Chair, Vice-Chair, and Treasurer of the Board – approve any organisation-wide increases, as well as the remuneration for our Executive team.

## **Furlough**

Our mission is always our priority and we remain committed to serving those living with or at risk of diabetes. In 2021, during the pandemic, our colleagues pulled together to make adjustments in many areas of our work in order to continue delivering our services. However, during the crisis it was unavoidable that some of our staff were unable to complete the jobs they are employed to do. Following a full review of the impact on our work, consideration of government guidelines, and staff consultation, we used the coronavirus Job Retention Scheme to furlough a number of staff on a part-time basis.

## **Our approach to grant making**

Our research strategy and objectives are set by the Science and Research Advisory Group, underpinned by priorities developed in partnership with the Diabetes Research Steering Groups. Decisions about funding of specific projects are delegated to the Research Committee. We invite applications for funding of research projects, early-career small grants, fellowships and studentships by advertising to the research community via email, on relevant websites (including social media) and through partners. Applicants based at not-for-profit UK-based academic or NHS institutions may submit proposals. Applications are reviewed by a minimum of three external peer reviewers against

criteria such as relevance to diabetes, scientific merit, feasibility and value for money. The reviewers' assessments are then submitted to the Research Committee, or the Fellowship and Studentship Panels. Shortlisted applicants for fellowships are invited for interview by an expert panel who make the funding decision. At least one member of the Research Committee sits on each fellowship panel. Funding decisions for shortlisted studentships are decided by an expert panel, including Research Committee members.

## **How we work to promote success**

In order to be successful in our mission, we need to hear the voices of people with diabetes, our volunteers, healthcare professionals, partners and our staff in everything we do. Section 172 of the Companies Act requires our directors to act in a way they consider to be mostly likely to promote the success of the charity to achieve our outcomes. To do this we consider:

### **The long-term consequences of our decisions**

We are grateful for the support of our advisory groups who enable us to consider the impact of the decisions we take over the medium and long term. You can read about the main ones on page 58. In 2021 we consulted with these groups on topics including new partnerships, progress against our strategy and future plans, fundraising products, and how we engage with volunteers using technology.

Our strategy sets out the change we want to see for people with diabetes in five outcomes (page 9) – and we have developed route maps that show us the best way to achieve these, meaning that we understand what our short term actions will achieve over the long term. We also pay close attention to the external context so that we can adapt and respond as needed through 'forward thinking' exercises.

## **The interests of our employees**

Our aim is for colleagues to thrive and be at their best while working here, and we have a very active Colleague Forum who influence key decisions including regarding our future ways of working. The wellbeing of colleagues has been a particular focus through the pandemic with new and different types of support offered while we've been working from home including Wellbeing Weeks, with session topics ranging from personal financial wellbeing to diet and exercise. We take part in the Best Companies survey and run regular 'pulse checks' to gauge employee satisfaction, as well as having a number of employee networks which are run and owned by colleagues.

## **The need for good relationships with partners, suppliers, customers and others**

Our partners and suppliers are key to much of the work we do, and we work hard to drive high standards and to build great relationships with them. We have clear policies on open and fair procurement and effective contract and supplier management. You can read about some of our work with partners on page 30. We use feedback to improve our customer service and are committed to an ongoing programme of work aimed at ensuring excellent customer experience in all our interactions.

## **The impact of what we do on the communities we work in and the environment**

We take care to consult the communities we work in, with the two Councils mentioned above being examples of this. We recognise our responsibility to minimise our environment impact and have implemented all practical recommendations from our Energy Savings Opportunity Scheme report, which you can read about on page 67.

## **The benefits of maintaining a reputation for high standards of conduct**

Our reputation is very important to us and to the people we support. We want to be trusted to inform and advise those who need our support and have clear standards of expected conduct for staff and volunteers, underpinned by our values.

## **The need to act fairly**

Fairness is key to achievement of these aspirations and our organisation policies reflect a consistently fair and transparent approach. We are also committed to equality in our workforce and are actively ensuring the fair treatment of colleagues which you can read about on page 60.

## Statement of trustees' responsibilities

The trustees (who are also directors of The British Diabetic Association for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Statement of Recommended Practice (SORP)
- make judgments 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
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has 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 Board of Trustees is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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, the Charities and Trustee Investment (Scotland) Act 55 Contents 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the trustees is aware:

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

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

Approved by the Board of Trustees of Diabetes UK on 26 May 2022 including in their capacity as company directors, the strategic report contained therein, and signed on its behalf by:



**Dr Carol Homden CBE**  
Chair

# Streamlined Energy and Carbon Reporting

## Executive summary

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for Diabetes UK, under the government policy Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. It also summarises, in the appendix, the methodologies used for all calculations related to the elements reported under Energy and Carbon.

During the reporting process all emissions that are produced as part of our charitable mission have been considered including details of electricity and gas usage from all nine offices located in the UK and mileage data submitted through our accounting system. To complete the full data required, 36% of the data included in this report has been estimated. We continue to use, an intensity metric of tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per full time equivalent (FTE) to ensure we continue to be able to compare year on year.

## Year 2

Diabetes UK's Scope 1, 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 14.09 tCO<sub>2</sub>e, resulting from the direct combustion of 66,521 kWh of fuel. This represents a carbon reduction of 50% from last year.

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 85.20 tCO<sub>2</sub>e, resulting from the consumption of 401,285 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 24% from last year.

Our operations have an intensity metric of 0.26 tCO<sub>2</sub>e per FTE for this reporting year.

This represents a reduction in operational carbon intensity of 27% from our previous reporting year.

## Annual reporting figures

The total consumption and emissions figures for energy supplies reportable by Diabetes UK.

## Consumption (kWh) and Greenhouse Gas emission (tCO<sub>2</sub>e) total

The following figures show the consumption and associated emissions for this reporting year (2021) for our operations, with figures from the previous reporting period (2020) included for comparison.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

## Totals

The total consumption (kWh) figures for energy supplies reportable by Diabetes UK are as follows:

Utility and Scope	2021 Consumption (kWh)	2020 Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	401,275	481,082
Gaseous and other fuels (Scope 1)	27,400	56,772
Transportation (Scope 3)	39,121	75,586
<b>Total</b>	<b>467,795</b>	<b>613,440</b>

The total emission (tCO<sub>2</sub>e) figures for reportable energy supplies are as follows. Conversion factors utilised in these calculations are detailed in the appendix:

Utility and Scope	2021 Consumption (tCO <sub>2</sub> e)	2020 Consumption (tCO <sub>2</sub> e)
Grid-Supplied Electricity (Scope 2)	85.20	112.16
Gaseous and other fuels (Scope 1)	5.02	10.44
Transportation (Scope 3)	9.071	17.75
<b>Total</b>	<b>99.29</b>	<b>140.35</b>

An intensity metric of tCO<sub>2</sub>e per FTE has been applied for our annual total emissions. The methodology of the intensity metric calculations are detailed in the appendix, and results of this analysis is as follows:

Intensity Metric	2021 Intensity Metric	2020 Intensity Metric
tCO <sub>2</sub> e / FTE	0.26	0.35

## Energy efficiency improvements

Diabetes UK are committed to year-on-year improvements in our operational energy efficiency. As such, a register of energy efficiency measures available to us has been compiled, with a view to implementing these measures in the next 5 years.

## Measures ongoing and undertaken through 2021

Throughout 2021, Diabetes UK have;

- Continued to improve their control over the BMS controlled HVAC system in their London head office with more efficient programming times.
- National and regional teams have also been consulted around their own HVAC programming and where possible sensors for lighting being adjusted to reduce unnecessary use.
- As part of our ongoing maintenance program as fixtures and fittings reach the end of their life, they are replaced with higher efficiency equivalents such as LED lighting as far as reasonably practicable.

As part of Diabetes UK's 'future ways of working' trial we have been actively encouraging the use of video conferencing investing in equipment to facilitate this in an effort to not only reduce our environmental impact from travel but also to improve the work life balance of our staff members.

## Appendix

Scope 1, 2 and 3 consumption and CO<sub>2</sub>e emissions data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2020 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO<sub>2</sub>e emissions factors relevant for reporting period 01/01/2021 – 31/12/2021.

Estimations undertaken to cover missing billing periods for properties directly invoiced to Diabetes UK were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 36% of reported consumption. For properties where Diabetes UK is indirectly responsible for utilities (i.e. via a landlord or service charge), an average consumption for properties with similar operations was calculated at meter level and applied to the properties with no available data. These full year estimations were applied to 1 electricity supply, and 1 gas supply.

Intensity metrics have been calculated using total tCO<sub>2</sub>e figures and the selected performance indicator agreed with Diabetes UK for the relevant report period: Full time equivalents (FTE) 387.

# Patrons, trustees, officers and professional advisors

## Patron

Her Majesty The Queen

## Ambassadors

Richard Lane OBE  
Professor Sir George Alberti  
Mrs Anne Felton  
Mr John Grumitt

Dr Michael Hall  
Sir Michael Hirst  
Professor Simon Howell  
Mrs Judith Rich OBE

## Board of Trustees and membership of sub committees

### Sir Peter Dixon, Chair

Governance and Nominations  
Remuneration (Chair)  
Retired 31 December 2021

### Janice Watson, Vice-Chair

Audit & Risk (Chair, from 1 February 2021)  
Remuneration

### Ian King, Treasurer

Audit & Risk  
Finance (Chair)  
Remuneration

### Professor Linda Bauld OBE

Appointed 30 September 2021

### Professor Sir Harry Burns

Retired 6 August 2021

### Rosie Cunningham-Thomas

Finance

### Michael Gibbs

Appointed 30 September 2021

### Professor Wasim Hanif

Governance and Nominations

### Gareth Hoskin

Audit and Risk (Chair)  
Retired 31 January 2021

### Alexandra Lewis

Appointed 30 September 2021

### Helen McCallum

Audit & Risk  
Governance and Nominations

### Melanie Stephenson-Gray

Appointed 1 January 2021

### Bob Swindell

Finance (from 2 March 2021)

### Professor Wendy Thomson CBE

Audit and Risk

### Dr Bob Young

### Dr Asiya Yunus

Appointed 30 September 2021

Our warmest thanks go to Sir Peter Dixon, who retired at the end of 2021. Peter has made a significant contribution during his nine years as Chair of our Board, with his thoughtful, supportive, and inspirational style and exemplary leadership particularly through some very challenging times.

Thanks are also recorded to two trustees who retired during the year for their contribution to and support of our work – Professor Sir Harry Burns, based in Scotland, whose extensive knowledge and experience of public health and approach to health improvements significantly helped our work, and Gareth Hoskin, who chaired the Audit & Risk Committee.

The Board thanks all the members of the Research Committee for the expert advice they provide and the following non-trustee members of the Governance and Nominations Committee:

**Anne Heal** (Chair)  
**Julian Baust**

We also thank the trustees of the British Diabetic Association Pension and Life Assurance Scheme:

**Simon Hartley** (Chair)  
**Colette Marshall**  
**Simon O'Neill**  
**Peter Shorrick**

## Senior management (the Executive team)

### Chief Executive

Chris Askew OBE

### Director of Engagement and Fundraising

Kath Abrahams

### Director of Health Intelligence and Professional Liaison

Simon O'Neill

### Director of People and Organisational Development

Adrian Blair

### Director of Operations

Colette Marshall

### Director of Corporate Services

Graham Galvin\*

### Director of Policy, Campaigns and Improvement

Bridget Turner

### Director of Research

Dr Elizabeth Robertson

\* Company Secretary

## Bankers and professional advisors

### Bankers

Barclays Bank Plc  
One Churchill Place  
London E14 5HP

### Auditor

Crowe UK LLP  
55 Ludgate Hill  
London  
EC4M 7JW

### Investment managers

Smith & Williamson Investment  
Managers LLP  
25 Moorgate  
London EC2R 6AY

### Legal advisors

Bates Wells & Braithwaite LLP  
10 Queen Street Place  
London EC4R 1BE

Wilson Solicitors LLP  
4 Lincoln's Inn Fields  
London WC2A 3AA

Withers LLP  
20 Old Bailey  
London EC4M 7AN

Diabetes UK is the operating name of The British Diabetic Association, a company limited by guarantee, registered in England and Wales (company no: 339181) and a charity registered with the Charity Commission for England & Wales (registered charity no: 215199) and with the Office of the Scottish Charity Regulator (registration no: SC039136).

# Diabetes UK

## Registered office address

### Diabetes UK

Wells Lawrence House  
126 Back Church Lane  
London E1 1FH

0345 123 2399  
info@diabetes.org.uk

## National and regional offices

### Diabetes UK Midland

Suite 2C  
St David's Court  
Union Street  
Wolverhampton WV1 3JE

### Diabetes UK Eastern

8 Atlantic Square  
Station Road  
Witham  
Essex CM8 2TL

### Diabetes UK London

Wells Lawrence House  
126 Back Church Lane  
London E1 1FH

### Diabetes UK South East

Ground Floor  
Blenheim House  
Blenheim Road  
Longmead Industrial Estate  
Epsom KT19 9AP

### Diabetes UK South West

Victoria House  
Victoria Street  
Taunton TA1 3FA

### Diabetes UK Scotland

The Venlaw  
349 Bath Street  
Glasgow G2 4AA

### Diabetes UK Northern Ireland

Suite 1, 1st Floor  
Lisburn Square House  
Lisburn BT28 1TW

### Diabetes UK Cymru

Wing A, Global Reach  
Dunleavy Drive  
Cardiff CF11 0SN

### Diabetes UK North West

Suite C, 2nd Floor  
Dallam Court  
Dallam Lane  
Warrington WA2 7LT

# Independent Auditor's Report to the Trustees of The British Diabetic Association (Diabetes UK)

## Opinion

We have audited the financial statements of the British Diabetic Association ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and charitable company balance sheets, the consolidated cash flow statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2021 and of the group's 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 64, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

**[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)**.

This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and safety legislation and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of Legacies, Grant and Corporate Partnership income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



### **Naziar Hashemi**

Senior Statutory Auditor  
For and on behalf of Crowe UK LLP  
Statutory Auditor, London

Date: 16 June 2022

## Consolidated statement of financial activities

(incorporating income and expenditure account and statement of total recognised gains and losses) for the year ended 31 December 2021

	Notes	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
<b>Income from:</b>							
Donations and legacies	3	29,181	1,628	30,809	27,691	2,772	30,463
Other trading activities	4	3,931	–	3,931	4,113	–	4,113
Investments	5	230	–	230	291	–	291
Charitable activities	6	1,420	1,494	2,914	2,655	133	2,788
<b>Total income</b>		<b>34,762</b>	<b>3,122</b>	<b>37,884</b>	<b>34,750</b>	<b>2,905</b>	<b>37,655</b>
<b>Expenditure on:</b>							
Raising funds	8	9,550	30	9,580	9,496	27	9,523
Charitable activities							
Cure or prevent	9	4,423	762	5,185	2,205	2,358	4,563
Living well	9	6,383	725	7,108	6,260	170	6,430
Better care	9	9,546	934	10,480	11,096	317	11,413
Prevention	9	2,634	242	2,876	2,768	183	2,951
Remission	9	1,996	211	2,207	1,781	–	1,781
<b>Total expenditure</b>	9	<b>34,532</b>	<b>2,904</b>	<b>37,436</b>	<b>33,606</b>	<b>3,055</b>	<b>36,661</b>
<b>Net gains/(loss) on investments</b>	17	518	–	518	(282)	–	(282)
<b>Net income/(expenditure) for the year</b>		748	218	966	862	(150)	712
Transfers between funds	22	(56)	56	–	–	–	–
<b>Other recognised gains</b>							
Actuarial gains/(loss) on defined benefit pension	30	1,569	–	1,569	(313)	–	(313)
<b>Net movement in funds</b>		2,261	274	2,535	549	(150)	399
Fund balances at the beginning of the financial year		17,440	325	17,765	16,891	475	17,366
<b>Fund balances at the end of the financial year</b>	22/23	<b>19,701</b>	<b>599</b>	<b>20,300</b>	<b>17,440</b>	<b>325</b>	<b>17,765</b>

There are no unrealised gains or losses which do not appear on the SOFA. All the above results are derived from continuing activities. The notes on pages 79 to 107 form part of these accounts.

# Balance Sheet

as at 31 December 2021

	Notes	Group		Diabetes UK	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	16	1,297	1,360	1,297	1,360
Investments in subsidiary undertakings	26	–	–	40	40
Other investments	17	20,040	19,340	20,040	19,340
		21,337	20,700	21,377	20,740
<b>Current assets</b>					
Stock		81	119	10	20
Debtors	18	4,617	2,059	5,206	3,490
Cash at bank and in hand		5,396	7,338	4,771	6,185
		10,094	9,516	9,987	9,695
Creditors: amounts falling due within one year	19	(10,713)	(10,458)	(10,646)	(10,677)
<b>Net current assets</b>		(619)	(942)	(659)	(982)
<b>Net assets before provisions</b>		20,718	19,758	20,718	19,758
Provision: for liabilities and charges	21	(241)	(247)	(241)	(247)
Provision: defined benefit pension scheme liability	30	(177)	(1,746)	(177)	(1,746)
<b>Net assets</b>		<b>20,300</b>	<b>17,765</b>	<b>20,300</b>	<b>17,765</b>
<b>Funds</b>					
Restricted funds	22/23	599	325	599	325
Unrestricted funds					
General funds		19,878	19,186	19,878	19,186
Pension reserve deficit	30	(177)	(1,746)	(177)	(1,746)
Unrestricted funds including pension liability		19,701	17,440	19,701	17,440
<b>Total funds</b>		<b>20,300</b>	<b>17,765</b>	<b>20,300</b>	<b>17,765</b>

The notes on pages 79 to 107 form part of these accounts.

The net movement in funds for the financial year dealt with in the financial statements of the parent Company was £2,535k (2020: £399k).

Approved by the Board of Trustees on 26 May 2022  
and signed on their behalf by:



**Dr Carol Homden**  
Chair



**Ian King**  
Treasurer

Registered company no: 339181

# Consolidated Statement of Cash flows

for the year ended 31 December 2021

	2021 £'000	2020 £'000
<b>Cash flows from operating activities:</b>		
<b>Net cash used in operating activities (note 1 below)</b>	<b>(1,691)</b>	<b>1,777</b>
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	230	291
Purchase of tangible fixed assets	(299)	(184)
Proceeds from the sale of investments	1,979	8,103
Purchase of investments	(1,806)	(4,326)
Purchase of cash deposits	(355)	(2,006)
<b>Net cash provided by investing activities</b>	<b>(251)</b>	<b>1,878</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(1,942)</b>	<b>3,655</b>
Cash and cash equivalents at 1 January	7,338	3,683
<b>Cash and cash equivalents at 31 December</b>	<b>5,396</b>	<b>7,338</b>

## Note 1 to the consolidated statement of cash flows

	2021 £'000	2020 £'000
<b>Reconciliation of changes in resources to net cash (outflow) from operating activities</b>		
Net income for the year per the SOFA	966	712
<b>Adjustments for:</b>		
Depreciation charges	362	400
(Gain)/loss on investments	(518)	282
Dividends and interest from investments	(230)	(291)
Decrease/(increase) in stock	38	(66)
(Increase)/decrease in debtors	(2,558)	1,640
Increase/(decrease) in creditors	255	(919)
Decrease in provisions	(6)	(8)
Difference between payments to defined benefit pension scheme and amount charged to expenditure	–	27
<b>Net cash used in operating activities</b>	<b>(1,691)</b>	<b>1,777</b>

The charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only cash flow statement.

# Notes to the financial statements

## 1. Charity information

The charity is a private company (registered number 339181), which is incorporated and domiciled in the UK. The address of the registered office is Wells Lawrence House, 126 Back Church Lane, London E1 1FH.

## 2. Accounting Policies

### Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, and UK Generally Accepted Practice as it applies from 1 January 2015. The charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

Diabetes UK meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### Basis of consolidation

The consolidated financial statements comprise Diabetes UK and its local groups (“Diabetes UK”) together with its subsidiary, Diabetes UK Services Limited (“the Group”). A summarised profit and loss account and balance sheet for the subsidiary is given in note 26. The results of the subsidiary have been consolidated on a line by line basis.

Diabetes UK includes the income and expenditure of local groups where returns have been received prior to the preparation of the consolidated financial statements.

### Going Concern

We consider the going concern basis of accounting to be appropriate following careful consideration of our financial position and a commitment to close management of the ongoing financial and operational risks. The potential for ongoing financial impact as a result of the pandemic, rising inflation, and the cost of living crisis were central to these assessments.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity’s accounting policies the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are pensions liabilities where the charity recognises its liability to its defined benefit scheme which involves a number of estimates as disclosed in note 30, and legacies which are recognised when evidence of entitlement

## Notes to the financial statements

exists and the charity is able to measure reliably. Recognition is therefore sometimes in advance of receiving the cash.

### Income

All income is accounted for when the charity has entitlement, there is probability of receipt and the amount is measurable.

### Legacies

Income from legacies is recognised where evidence of entitlement exists, the value is measurable with sufficient reliability, and on the earlier of the date of receipt of finalised estate accounts, the date of payment or where there is sufficient evidence that the legacy will probably be received. In addition, full provision is made for any clawback of legacy payments when notification of such clawbacks is received.

### Donations

Where donations have been collected by a third party, these are recognised when the value is measurable with sufficient reliability through the third party systems.

### Membership subscriptions

In general, subscriptions, including life membership subscriptions are credited to income on receipt, as these are considered to be in the nature of donations.

### Donated goods, services and facilities

These are included at the value to the charity where this can be quantified. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

Where possible, gifts in kind are valued at their market value on the date of receipt. If no market value is available, gifts in kind are valued at their estimated value to the charity.

### Grants receivable

Grants receivable are credited to income as these become receivable, except in situations where they are related to performance, in which case these are accrued as the charity earns the right through performance.

### Expenditure

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable.

### Costs of raising funds

Costs of raising funds comprise the costs incurred in fundraising, commercial trading activities and investment management.

Fundraising costs include salaries, direct costs and an appropriate allocation of central overhead costs.

### Charitable activities

Expenditure is allocated to the relevant charitable activities on a basis consistent with resource use against the strategic plan and includes salaries, direct costs and an appropriate allocation of central overhead costs.

### Research grants

Diabetes UK contracts with a range of institutions to fund specific research projects. Payment is conditional on the performance of key tasks and where such tasks remain incomplete, payment is withheld. Diabetes UK operates an annual review process whereby grants are reviewed to ensure progress is being made and the

research programme complies with expectations before continuing payment is confirmed. As a result of this the first year of each research grant is recognised upfront, except where the grant is for one year only, when the final payment for that first year is not recognised until the final report is received.

### **Support and governance costs reallocation**

Support costs consist of central team costs including governance, information technology, human resources, finance and office management functions.

Governance costs are made up of the staff costs for the Governance Team, Board of Trustee costs, and audit fees.

Support and governance costs are allocated to activities based on the number of staff involved in each activity.

### **Retirement benefits**

For the defined benefit scheme the amount charged to the SOFA in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. Current service costs, interest costs and expected return on assets are included within charitable expenditure, allocated on a headcount basis by department.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA under the heading of actuarial gains and losses on defined benefit pension scheme.

For defined contribution schemes the amount charged to the SOFA in respect of pension costs and other post retirement benefits is the contributions payable in the year, allocated between activities and to unrestricted and restricted funds on the same basis as other employee-related costs. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **Taxation**

Diabetes UK has charitable status and is thus exempt from taxation of its income and gains falling within Section 478 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No material tax charges have arisen in its subsidiaries and no provision is required for deferred taxation.

## **Assets and Liabilities**

### **Tangible fixed assets**

All expenditure on fixed assets in excess of £2,000 is capitalised.

The charge for depreciation is calculated to write off fixed assets by equal instalments over their expected useful lives. These are estimated to be:

Leasehold improvements	– 10 years
Office equipment, fittings and furniture	– 7 to 10 years
Computer hardware	– 3 to 5 years
Computer software	– 3 to 8 years
Motor vehicles	– 5 years

Where any assets are impaired in value, provisions are made to reduce the book value of such assets to the recoverable amount.

## Notes to the financial statements

### Investments

The investments in the subsidiary undertakings are stated at cost less impairment; all other investments are stated at market value.

The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Investment cash is held for investment purposes only. It is the intention of the trustees that fixed asset investments will not be drawn upon within the following year.

### Stocks

Stocks are valued at the lower of cost and net realisable value. Stock is reviewed at year end to identify any impairment with reference to sales activity and other changes in the environment. The cost of publications held for charitable purposes is expensed as incurred.

### Operating leases

Rental payments under operating leases are charged against income on a straight line basis over the term of the lease.

### Pension Liability

The charity recognises its liability to its defined benefit pension scheme, to the extent that the Charity has a legal or constructive obligation to settle the liability, which involves a number of estimations as disclosed in note 30. Provision is made in full for the estimated cost of unfunded pensions payable to a small number of retired former employees. The provision is re-estimated each year, based on the pensions in payment, estimated future increments and changes in the pensioners' circumstances.

### Funds

The funds of Diabetes UK consist of unrestricted and restricted amounts. Diabetes UK may use unrestricted amounts at its discretion.

Restricted funds represent income contributions which are restricted to a particular purpose in accordance with the wishes of the donor.

### Financial Instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade debtors, other debtors and accrued income.

Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

### 3. Donations and legacies

	2021 Total £'000	2020 Total £'000
<b>Incoming resources</b>		
Legacies	16,512	16,171
Donations	14,297	14,292
<b>Total</b>	<b>30,809</b>	<b>30,463</b>

### 4. Other trading activities

	2021 Total £'000	2020 Total £'000
<b>Incoming resources</b>		
Lotteries	1,776	1,802
Advertising	140	117
Corporate sponsorship	1,430	1,589
Merchandising	543	563
Service charges	42	42
<b>Total</b>	<b>3,931</b>	<b>4,113</b>

### 5. Income from investments

	2021 Total £'000	2020 Total £'000
Dividends from listed securities	166	246
Interest on cash at bank	64	45
<b>Total</b>	<b>230</b>	<b>291</b>

## Notes to the financial statements

### 6. Income from charitable activities

	2021 Total £'000	2020 Total £'000
Conferences	46	189
Service delivery	2,048	1,748
Care holidays	7	–
Professional membership	142	148
Publications	536	568
Rental	135	135
<b>Total</b>	<b>2,914</b>	<b>2,788</b>
Cure or prevent	166	329
Living well	779	433
Better care	1,631	1,584
Prevention	267	442
Remission	71	–
<b>Total</b>	<b>2,914</b>	<b>2,788</b>

### 7. Government grants

	2021 Total £'000	2020 Total £'000
Government grants used to fund diabetes projects and recognised in the accounts are:		
Coronavirus Job Retention Scheme	110	478
National Lottery Community Fund Northern Ireland	233	140
National Lottery Community Fund England	25	94
Sport England	398	122
Public Health England	5	–
UK Research and Innovation	472	–
	<b>1,243</b>	<b>834</b>

There are no unfulfilled conditions and other contingencies attaching to government grants.

## 8. Expenditure on raising funds

	2021 Total £'000	2020 Total £'000
<b>Voluntary income</b>		
Legacies	448	398
Donations	6,605	6,739
	<b>7,053</b>	<b>7,137</b>
<b>Fundraising trading</b>		
Lotteries	1,333	1,256
Advertising	121	182
Corporate sponsorship	402	306
Merchandising	611	733
	<b>2,467</b>	<b>2,477</b>
<b>Investment management costs</b>	60	75
<b>Total</b>	<b>9,580</b>	<b>9,689</b>

## 9. Analysis of total expenditure

	Activities undertaken directly £'000	Activities undertaken by grant funding £'000	Support and governance costs £'000	2021 £'000	2020 £'000
<b>Expenditure on raising funds</b>	8,521	–	1,059	<b>9,580</b>	9,523
<b>Expenditure on charitable activities</b>					
Cure or prevent	2,770	1,934	481	<b>5,185</b>	4,563
Living well	5,857	–	1,251	<b>7,108</b>	6,430
Better care	5,524	3,657	1,299	<b>10,480</b>	11,413
Prevention	1,836	655	385	<b>2,876</b>	2,951
Remission	1,660	210	337	<b>2,207</b>	1,781
<b>Total</b>	<b>26,168</b>	<b>6,456</b>	<b>4,812</b>	<b>37,436</b>	<b>36,661</b>

Prior year expenditure has been reanalysed to better reflect the charitable objectives of our research grants.

## Notes to the financial statements

### 10. Support costs allocations

	Governance £'000	Facilities £'000	Finance £'000	Human resources £'000	IT £'000	2021 £'000	2020 £'000
<b>Expenditure on raising funds</b>	43	238	184	212	382	<b>1,059</b>	1,125
<b>Expenditure on charitable activities</b>							
Cure or prevent	20	108	84	96	173	<b>481</b>	762
Living well	52	281	218	250	450	<b>1,251</b>	1,377
Better care	54	292	226	260	467	<b>1,299</b>	1,606
Prevention	16	87	67	77	138	<b>385</b>	462
Remission	14	76	59	67	121	<b>337</b>	3
<b>Total</b>	<b>199</b>	<b>1,082</b>	<b>838</b>	<b>962</b>	<b>1,731</b>	<b>4,812</b>	<b>5,335</b>

### 11. Governance costs

	2021 £'000	2020 £'000
Trustee costs	<b>32</b>	1
Advisory Council Expenses	–	3
Governance and Stakeholder Support costs	<b>110</b>	113
External audit	<b>57</b>	48
<b>Total</b>	<b>199</b>	<b>165</b>

## 12. Grant funding

The institutions receiving grant funding in the year in excess of £100,000 were:	<b>2021 £'000</b>
King's College London	679
Imperial College London	675
University of Bristol	443
University of Exeter	338
University of Manchester	334
University College London	312
University of Dundee	309
University of Cambridge	292
University of Exeter Medical School	218
University of Oxford	214
University of Surrey	209
Academy of Medical Sciences	184
University of York	176
University of Birmingham	176
University Hospital Nottingham	163
University of Leeds	155
University of Lincoln	155
Queen Mary, University of London	152
University of Glasgow	150
University of Ulster	124
Queen's University Belfast	121
British Council	121
Department of Health and Social Care	117
University of Aberdeen	101
	5,918
Research grants to other institutions	594
Refund of research grants from institutions	(59)
Write back of grant creditor to reflect underspends	(12)
Other grants	15
<b>Total Grants to Institutions</b>	<b>6,456</b>

## Notes to the financial statements

### 12. Grant funding continued

	2021 £'000	2020 £'000
<b>Grants reconciliation</b>		
Creditor at the beginning of the year	<b>7,778</b>	8,132
Grants awarded in the year	<b>2,408</b>	1,409
Liabilities arising on existing grants	<b>4,104</b>	4,566
Write back of grant to reflect underspends	<b>(12)</b>	(61)
Payments in the year	<b>(6,526)</b>	(6,268)
<b>Creditor at the end of the year</b>	<b>7,752</b>	<b>7,778</b>

### 13. Net incoming resources for the year is stated after charging

	2021 £'000	2020 £'000
Depreciation (see note 16)	<b>362</b>	400
Auditors remuneration		
– external audit: group statutory audit	<b>51</b>	43
– external audit: other	<b>6</b>	5
– tax advice	<b>3</b>	4
– additional assurance	<b>23</b>	4
Non-recoverable VAT	<b>1,114</b>	1,015
Operating leases		
– property	<b>1,381</b>	1,247
– other	<b>4</b>	8

## 14. Transactions with trustees

Trustees have not been remunerated for their work as trustees during the year (2020: £NIL). However, Dr Bob Young worked as an independent contractor as a National Diabetes Audit Clinical Lead for which he received payment of £20,800 (2020: £20,396). This was paid under the statutory power to pay trustees as set out at s185 of the Charities Act 2011. The payment satisfied the conditions under the Act and was also in line with Charity Commission Guidance “Trustee Expenses and Payments” (CC11).

A total of 4 trustees (2020: 2) have been reimbursed directly for expenses or had such expenses met by payments made to third parties at a total cost of £489 (2020: £696). All amounts were for reimbursement of travel and subsistence costs in relation to Board of Trustee and Advisory council duties.

## 15. Staff Costs

	2021 £'000	2020 £'000
Salaries	14,365	14,912
Social security costs	1,431	1,493
Other pension costs	917	962
Redundancy and termination payments	16	–
<b>Total</b>	<b>16,729</b>	<b>17,367</b>

Redundancy and termination payments include £3k (2020: £nil) of ex-gratia payments which were agreed as part of severance packages to one (2020: nil) individual. As at the year end no (2020: £nil) redundancy and termination payments were unpaid.

	2021 number	2020 number
<b>Average headcount</b>		
Fundraising	76	71
Charitable activity	267	268
Support	54	59
Governance	2	2
<b>Total</b>	<b>399</b>	<b>400</b>

## Notes to the financial statements

### Pension costs

Pension costs comprise £917,083 (2020: £961,726) in respect of defined contribution pension schemes and £NIL (2020: £NIL) in respect of the defined benefit pension scheme.

Number of employees whose remuneration fell within the following ranges:

	<b>2021 number</b>	<b>2020 number</b>
£60,001 – £70,000	9	10
£70,001 – £80,000	5	6
£80,001 – £90,000	–	–
£90,001 – £100,000	2	3
£100,001 – £110,000	3	2
£110,001 – £120,000	1	1
£130,001 – £140,000	–	–
£140,001 – £150,000	1	1

The key management personnel (of the charity) comprise the Trustees (unremunerated for their role as trustees, see note 14), the Chief Executive Officer, and the Executive Team. The total employee benefits of the key management personnel (of the charity) were £1,009,469 (2020: £1,005,423)

## 16. Tangible fixed assets

	Leasehold improvements	Office equipment fixtures & furniture	Computer equipment & software	Total
	£'000	£'000	£'000	£'000
<b>Group and Diabetes UK</b>				
<b>Cost</b>				
At 1 January 2021	1,106	337	1,674	3,117
Additions	84	–	215	299
Disposals	–	(2)	(19)	(21)
At 31 December 2021	1,190	335	1,870	3,395
<b>Depreciation</b>				
At 1 January 2021	(460)	(158)	(1,139)	(1,757)
Charge for the year	(116)	(34)	(212)	(362)
Disposals	–	2	19	21
At 31 December 2021	(576)	(190)	(1,332)	(2,098)
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>614</b>	<b>145</b>	<b>538</b>	<b>1,297</b>
At 31 December 2020	646	179	535	1,360

All tangible fixed assets are used for or to support charitable purposes. At the year end there were no contracted capital commitments (2020: £NIL).

# Notes to the financial statements

## 17. Investments

	2021 £'000	2020 £'000
<b>Group and Diabetes UK</b>		
Market value at 1 January	<b>19,340</b>	21,393
Acquisitions at cost	<b>1,806</b>	4,326
Disposal proceeds	<b>(1,979)</b>	(8,103)
Gain/(loss) on investments	<b>518</b>	(282)
Net movement in cash and short term deposits	<b>355</b>	2,006
<b>Market value at 31 December</b>	<b>20,040</b>	<b>19,340</b>
Represented by:		
Listed securities	<b>6,856</b>	6,329
Property funds	<b>771</b>	732
Bonds	<b>1,576</b>	1,797
Cash	<b>10,837</b>	10,482
	<b>20,040</b>	<b>19,340</b>
Historical Cost of investments at 31 December	<b>18,399</b>	18,589

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market price, using the bid price. There were no investments which comprised more than 5% of the total market value of non-cash investments at 31 December 2021.

## 18. Debtors: amount falling due within one year

	Group		Diabetes UK	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	320	307	84	93
Donation due from subsidiary undertaking	–	–	597	1,318
Other amounts due from subsidiary undertakings	–	–	288	264
Other debtors	82	116	82	207
Prepayments	582	553	556	553
Accrued income	3,633	1,083	3,599	1,055
	<b>4,617</b>	<b>2,059</b>	<b>5,206</b>	<b>3,490</b>

## 19. Creditors: amount falling due within one year

	Group		Diabetes UK	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	868	420	773	399
Amounts due to subsidiary undertakings	–	–	210	366
Taxation and social security	387	423	387	387
Other creditors	46	29	46	29
Accruals	1,088	1,463	1,049	1,405
Deferred income	572	345	429	313
Research grants creditor	7,752	7,778	7,752	7,778
	<b>10,713</b>	<b>10,458</b>	<b>10,646</b>	<b>10,677</b>

## Notes to the financial statements

### 20. Deferred Income

	Group		Diabetes UK	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance as at 1 January	345	362	313	300
Income deferred in the current year	462	259	325	221
Release from prior year	(235)	(276)	(209)	(208)
<b>Balance as at 31 December</b>	<b>572</b>	<b>345</b>	<b>429</b>	<b>313</b>

Income received in advance to fund activities due to take place in 2022 has been deferred where this is consistent with the terms of the funding agreement.

### 21. Provisions for liabilities and charges

	Pensioner Costs £'000	Dilapidation Provision £'000	Total 2021 £'000	Total 2020 £'000
Balance brought forward at 1 January	27	220	247	255
New provision	–	–	–	–
Increase to provision	–	3	3	5
Payments made	(9)	–	(9)	(13)
Release of provision	–	–	–	–
<b>Balance carried forward at 31 December</b>	<b>18</b>	<b>223</b>	<b>241</b>	<b>247</b>

The pensioner cost provision is for future pensioner salaries that are estimated to be fully utilised by 2023. The dilapidation provision provides for the expected cost of returning our rented offices to the condition in which Diabetes UK occupied the properties. This expenditure is a condition of the lease agreements and provisions are expected to be utilised at the end of the lease agreements which range from 2020 to 2027.

## 22. Funds

### Group – current year

	At 1 January 2021 £'000	Incoming funds £'000	Outgoing funds £'000	Gains £'000	Transfers £'000	At 31 December 2021 £'000
General funds	19,186	30,832	(31,487)	518	829	19,878
Diabetes UK Services Limited	–	3,930	(3,045)	–	(885)	–
Pension reserve (see note 30)	(1,746)	–	–	1,569	–	(177)
<b>Total unrestricted funds</b>	<b>17,440</b>	<b>34,762</b>	<b>(34,532)</b>	<b>2,087</b>	<b>(56)</b>	<b>19,701</b>
Restricted funds						
Research funds	241	1,990	(1,823)	–	56	464
Care and information funds	4	752	(705)	–	–	51
Geographical funds	77	292	(285)	–	–	84
Children funds	3	19	(22)	–	–	–
Prevention	–	69	(69)	–	–	–
<b>Total restricted funds</b>	<b>325</b>	<b>3,122</b>	<b>(2,904)</b>	<b>–</b>	<b>56</b>	<b>599</b>
<b>Total of unrestricted and restricted funds</b>	<b>17,765</b>	<b>37,884</b>	<b>(37,436)</b>	<b>2,087</b>	<b>–</b>	<b>20,300</b>

The research funds represent funds received and used to meet the direct costs of maintaining the research programme. The care and information funds are restricted to meeting the costs of providing care and information. The geographical funds are restricted to use in specified areas of the UK. The children funds are restricted funds to be used to meet additional cost of holidays, parent/child weekends and other youth activities.

The transfers from restricted to unrestricted represent expenditure on restricted fund projects which in the prior year were funded by general funds.

## Notes to the financial statements

### 22. Funds

#### Group – Prior year comparative

	At 1 January 2020 £'000	Incoming funds £'000	Outgoing funds £'000	Losses £'000	Transfers £'000	At 31 December 2020 £'000
General funds	18,297	30,631	(30,778)	(282)	1,318	19,186
Diabetes UK Services Limited	–	4,119	(2,801)	–	(1,318)	–
Pension reserve (see note 30)	(1,406)	–	(27)	(313)	–	(1,746)
<b>Total unrestricted funds</b>	<b>16,891</b>	<b>34,750</b>	<b>(33,606)</b>	<b>(595)</b>	<b>–</b>	<b>17,440</b>
Restricted funds						
Research funds	279	2,176	(2,214)	–	–	241
Care and information funds	–	84	(80)	–	–	4
Geographical funds	103	629	(655)	–	–	77
Children funds	–	10	(7)	–	–	3
Prevention	93	6	(99)	–	–	–
<b>Total restricted funds</b>	<b>475</b>	<b>2,905</b>	<b>(3,055)</b>	<b>–</b>	<b>–</b>	<b>325</b>
<b>Total of unrestricted and restricted funds</b>	<b>17,366</b>	<b>37,655</b>	<b>(36,661)</b>	<b>(595)</b>	<b>–</b>	<b>17,765</b>

## 23. Total funds

Total funds are invested as follows:

### Current year

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Group</b>			
Tangible fixed assets	1,297	–	1,297
Fixed asset investments	20,040	–	20,040
Net current liabilities	(1,218)	599	(619)
Provisions	(418)	–	(418)
<b>Total net assets</b>	<b>19,701</b>	<b>599</b>	<b>20,300</b>

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Diabetes UK</b>			
Tangible fixed assets	1,297	–	1,297
Investments in subsidiary undertakings	40	–	40
Fixed asset investments	20,040	–	20,040
Net current liabilities	(1,276)	599	(677)
Provisions	(400)	–	(400)
<b>Total net assets</b>	<b>19,701</b>	<b>599</b>	<b>20,300</b>

## Notes to the financial statements

### 23. Total funds

#### Prior year comparative

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Group</b>			
Tangible fixed assets	1,360	–	1,360
Fixed asset investments	19,340	–	19,340
Net current liabilities	(1,267)	325	(942)
Provisions	(1,993)	–	(1,993)
<b>Total net assets</b>	<b>17,440</b>	<b>325</b>	<b>17,765</b>

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Diabetes UK</b>			
Tangible fixed assets	1,360	–	1,360
Investments in subsidiary undertakings	40	–	40
Fixed asset investments	19,340	–	19,340
Net current liabilities	(1,307)	325	(982)
Provisions	(1,993)	–	(1,993)
<b>Total net assets</b>	<b>17,440</b>	<b>325</b>	<b>17,765</b>

## 24. Operating leases – commitments and contracted income

	Other		Property	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Total lease commitments due under non-cancellable operating leases:				
within one year	–	4	<b>1,364</b>	1,338
between two and three years	–	–	<b>1,911</b>	2,255
between four and five years	–	–	<b>1,037</b>	1,660
after five years	–	–	–	189
	<b>–</b>	<b>4</b>	<b>4,312</b>	<b>5,442</b>

	Property	
	2021 £'000	2020 £'000
Total lease income due under non-cancellable operating leases:		
within one year	<b>158</b>	158
between two and three years	<b>26</b>	184
between four and five years	–	–
	<b>184</b>	<b>342</b>

The lease income relates to the rental, to a third party, of office space at our central office.

## Notes to the financial statements

### 25. Commitments to spend – research grants

At 31 December 2021 Diabetes UK had entered into contracts in respect of expenditure on research amounting to £10,399,000 (2020: £9,915,000). These contracts are subject to an annual review process at which future funding is determined. Diabetes UK recognises grant expenditure on an annual basis as explained in note 1.

	2021 £'000	2020 £'000
within one year	4,648	4,882
between two and three years	4,991	4,445
between four and five years	760	588
	<b>10,399</b>	<b>9,915</b>

### 26. Subsidiary undertakings

Diabetes UK has two wholly owned subsidiaries, BDA Research Limited and Diabetes UK Services Limited which are incorporated in the UK and registered in England with registered office 126 Back Church Lane E1 1FH.

Their company registration numbers are 3339062 and 891004 respectively. The financial statements of Diabetes UK Services are audited and filed at Companies House. BDA Research Limited did not carry out any business activity in the year.

#### (a) Investment in subsidiary

	2021 £'000	2020 £'000
Investment in subsidiary undertakings	40	40

Diabetes UK's investment in BDA Research Limited is £2, being the whole of the issued share capital of that company. BDA Research Limited has net assets and called up share capital of £2 as at 31 December 2021 (2020: £2). Diabetes UK's investment in Diabetes UK Services Limited is 40,003 ordinary shares of £1 each, being the whole of the issued share capital of that company. Diabetes UK Services Limited has net assets and called up share capital of £40,003 as at 31 December 2021 (2020: £40,003).

**(b) Summary of results of consolidated entities**

	<b>Diabetes UK</b>	<b>Diabetes UK</b>	<b>Intercompany</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>				
Donations and legacies	31,406	–	(597)	30,809
Other trading activities	289	3,930	(288)	3,931
Income from investments	230	–	–	230
Income from charitable activities	2,914	–	–	2,914
	<b>34,839</b>	<b>3,930</b>	<b>(885)</b>	<b>37,884</b>
<b>Expenditure</b>				
Expenditure on raising funds	(7,289)	(2,291)	–	(9,580)
Expenditure on charitable activities	(27,102)	(754)	–	(27,856)
Donation to Diabetes UK	–	(597)	597	–
Service charge	–	(288)	288	–
	<b>(34,391)</b>	<b>(3,930)</b>	<b>885</b>	<b>(37,436)</b>
Net loss on investments	518	–	–	518
Actuarial gains on defined benefit pension	1,596	–	–	1,596
<b>Net movement in funds</b>	<b>2,535</b>	<b>–</b>	<b>–</b>	<b>2,535</b>

**(c) Financial position of consolidated entities**

	<b>Diabetes UK</b>	<b>Diabetes UK</b>	<b>Intercompany</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets	21,377	–	(40)	21,337
Current assets	9,987	1,202	(1,095)	10,094
Creditors due within one year	(10,646)	(1,162)	1,095	(10,713)
Provisions	(418)	–	–	(418)
<b>Net assets</b>	<b>20,300</b>	<b>40</b>	<b>(40)</b>	<b>20,300</b>

## Notes to the financial statements

### 27. Result for the year under the historical cost accounting convention

	2021 £'000	2020 £'000
Net income	448	994
(Loss)/gain on sale of investments calculated under the historical cost accounting convention	(372)	45
<b>Surplus under the historical cost accounting convention</b>	<b>76</b>	<b>1,039</b>

### 28. Members

The legal members of the company are the trustees as explained in the annual report. The liability of the members is limited to £1 per member.

### 29. Legacies

The value of legacies notified to the charity but which do not meet the recognition criteria (and so are not accounted for within the financial statements) is approximately £22.5 million (2020: approximately £16.8 million).

### 30. Pensions

#### Defined contribution scheme

The charity contributes towards a defined contribution scheme. The cost of this scheme is charged to the SOFA and amounted to £917,083. (2020: £961,726). The scheme did not give rise to any provision.

#### British Diabetic Association Pension and Life Assurance Scheme

The Charity sponsors the British Diabetic Association and Life Assurance Scheme, a funded defined benefit arrangement which closed to future accruals on 31 August 2004. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities for some 82 current and former employees with entitlements to preserved benefits. Pensions in payment are currently secured by annuity purchase at retirement. The level of retirement benefit is principally based on salary earned in the last three years of employment before accrual ceased and the length of service in the scheme.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation.

A full actuarial valuation was carried out as at 31 December 2019 by a qualified independent actuary in accordance with the scheme funding requirements of the Pensions Act 2004. The funding of the scheme is agreed between the charity and the trustees in line with those requirements. These in particular require the funding position to be calculated using prudent, as opposed to best estimate, actuarial assumptions. This valuation revealed a funding surplus of £404,000.

The results of the most recent formal actuarial valuation as at 31 December 2019 have been updated to 31 December 2021 by a qualified independent actuary.

#### Present value of scheme liabilities, fair value of assets and deficit

	2021 £'000	2020 £'000
Fair value of scheme assets	15,469	15,090
Present value of scheme liabilities	(15,646)	(16,836)
<b>Deficit in scheme</b>	<b>(177)</b>	<b>(1,746)</b>

The present value of scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out by the scheme, using the projected unit method. The value calculated in this way is reflected in the net liability in the balance sheet as shown above. The liability has reduced because a higher discount rate, driven by increases in corporate bond yields, has been used to calculate the defined benefit obligation. Also, the actual investment return achieved on the assets was higher than that required to match the expected increase in the defined benefit obligation over the year.

#### Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2021 £'000	2020 £'000
Scheme liabilities at 1 January	16,836	15,091
Interest cost	200	285
Actuarial (gains) / losses	(1036)	1,705
Benefits paid	(354)	(245)
<b>Scheme liabilities at 31 December</b>	<b>15,646</b>	<b>16,836</b>

## Notes to the financial statements

### 30. Pensions

#### Reconciliation of opening and closing balances of the fair value of the scheme assets

	2021 £'000	2020 £'000
Fair value of scheme assets at 1 January	15,090	13,685
Interest income	179	258
Return on scheme assets, excluding interest income	554	1,392
Benefits paid	(354)	(245)
<b>Fair value of scheme assets at 31 December</b>	<b>15,469</b>	<b>15,090</b>

The actual gain on the scheme assets over the period ended 31 December 2021 was £733,000 (2020: gain of £1,650,000).

#### Total expense recognised in SOFA

	2021 £'000	2020 £'000
Interest cost	200	285
Interest income	(179)	(258)
<b>Total expense recognised in SOFA</b>	<b>21</b>	<b>27</b>

#### Other comprehensive income

	2021 £'000	2020 £'000
Actuarial gain/(loss) on defined benefit obligation	1,036	(1,705)
Actual return on assets less interest income	554	1,392
<b>Total gain recognised in other comprehensive income</b>	<b>1,590</b>	<b>(313)</b>

<b>Assets</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Equities	<b>3,196</b>	2,769
Diversified growth funds	<b>4,404</b>	3,874
Liability driven investment	<b>1,836</b>	2,021
With Profits policy	<b>2,330</b>	2,693
Annuities	<b>3,679</b>	3,538
Cash	<b>24</b>	195
<b>Total Assets</b>	<b>15,469</b>	<b>15,090</b>

None of the fair values of the assets shown above include any of the charity's own financial instruments, any property occupied by the company or any other assets used by the company.

The With Profits fund value shown in the table includes £522,000 (2020: £562,000) in respect of assets disinvested from the With Profits fund prior to the accounting date to purchase annuities for members reaching retirement, but where these members did not have an annuity in payment at the accounting date and so are not included in the value of annuities above.

It is the policy of the trustees and the charity to review the investment strategy at the time of each funding valuation. The trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the scheme investment strategy are documented in the scheme's Statement of Investment Principles.

## Notes to the financial statements

### 30. Pensions

<b>Assumptions</b>	<b>2021 % per annum</b>	<b>2020 % per annum</b>
Inflation (RPI)	<b>3.60</b>	3.20
Rate of discount	<b>1.80</b>	1.20
Allowance for pension in payment increases at the lower of RPI or 5%	<b>3.50</b>	3.10
Allowance for revaluation of deferred pensions at the lower of RPI or 5%	<b>2.60</b>	2.20
Allowance for commutation of pension for cash at retirement	<b>80% of HMRC maximum</b>	80% of HMRC maximum

The mortality assumptions adopted at 31 December 2021 are based on the 102% S3PMA and 110% S3PFA CMI Models 2020 [1.25%]. These imply the following life expectancies:

	<b>2021</b>	<b>2020</b>
Male retiring at aged 62 in 2021	<b>24.5</b>	24.5
Female retiring at aged 62 in 2021	<b>26.5</b>	26.4
Male retiring at aged 62 in 2041	<b>25.9</b>	25.9
Female retiring at aged 62 in 2041	<b>28.0</b>	27.9

### 31. Related party transactions

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, Diabetes UK Services Limited. These are detailed below:

During the year the 2020 gift aid of £1,318k (2020: £1,266k) was remitted from the subsidiary to the charity, and at 31 December the subsidiary had a balance of £855k (2020: £1,582k) owing. This consists of the 2021 gift aid payment (£597k) and 2021 service charge (£288k). Diabetes UK also owed the subsidiary £210k, which is the balance on the general processing account (£366k).

## 32. Financial instruments

	2021 £'000	2020 £'000
<b>Financial assets measured at fair value through income and expenditure</b>		
Non cash investments	<b>9,203</b>	<b>8,858</b>
<b>Financial assets measured at amortised cost</b>		
Cash	5,396	7,338
Cash investments	10,837	10,482
Trade debtors	320	307
Other debtors	82	116
Accrued income	3,633	1,083
	<b>20,268</b>	<b>19,326</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	868	420
Other creditors	46	29
Accruals	1,088	1,463
Research grant creditors	7,752	7,778
	<b>9,754</b>	<b>9,690</b>

The charity has taken advantage of the exemptions in FRS 102 from the requirement to present certain disclosures about the charity's financial instruments.

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 /diabetesuk

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