

**Juvenile Diabetes
Research Foundation
Limited**

**Annual Report and Financial
Statements**

30 June 2014

Company Limited by Guarantee
Registration Number
02071638 (England and Wales)

Charity Registration Number
295716 (England) and
SC040123 (Scotland)

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Reference and administrative details

| | |
|---------------------------------------|---|
| President | Her Royal Highness The Duchess of Cornwall |
| Directors | The Directors, who are also trustees under charity law, who served during the year up to the date of this report were as follows: Ian Edwards (Chairman) Dominic Christian James Cripps Geoffrey Forester (retired January 2014) Sarah Gordon Karen Loumansky (appointed March 2014) James Lurie Eleanor Mills (appointed January 2014) Dr Roger Morton (appointed March 2014) Sue Whelan Tracy (appointed January 2014) Anthony Reeves Bruce Steinberg Steven Turnbull Graham White (appointed December 2013) Michael Yardley (Treasurer) |
| Company Secretary | Jonathan Taylor |
| Executive management team | |
| Chief Executive | Karen Addington |
| Director of Finance and Resources | Jonathan Taylor |
| Director of Policy and Communications | Sarah Johnson |
| Director of Fundraising | Caroline Hellicar (to July 2014) Dean Benton (from July 2014) |
| Registered office | 19 Angel Gate City Road London EC1V 2PT |
| Telephone | 0207 713 2030 |
| Fax | 0207 713 2031 |
| Website | www.jdrf.org.uk |
| Company registration number | 02071638 (England and Wales) |
| Charity registration number | 295716 (England) SC040123 (Scotland) |

Reference and administrative details

Regional Offices

JDRF Scotland: Aberdeen Office
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Telephone: 01224 248 677
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233-237 Roundhay Road
Leeds
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JDRF South, East and London: London Office
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Office
59a Leigh Road
Eastleigh
Hampshire
SO50 9DF

Telephone: 023 8061 6622
Fax: 023 8061 5511

Reference and administrative details

| | |
|----------------|---|
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | Barclays Bank plc Marble Arch Corporate Banking Group PO Box 32016 London NW1 2ZH |

JDRF in FY14: A year in review

A message from the Chairman and Chief Executive

In FY14 we made significant progress towards our vision for a world without type 1 diabetes and in our work to move closer to eradicating the condition from the lives of children and adults living with type 1 diabetes and their families across the UK. In this letter we want to share with you some of the highlights and to recognise the contribution of everyone who is working so hard to reach the day when the cure for type 1 diabetes will become a reality.

Royal Presidency

FY14 was the second year of the Presidency of Her Royal Highness The Duchess of Cornwall. We're extremely grateful to Her Royal Highness for her continued support of JDRF and her commitment to raising the profile of type 1 diabetes.

A global mission to cure type 1 diabetes

JDRF in the UK is proud to be a part of a global network of independent and coordinated organisations working towards the same goal: a world without type 1 diabetes.

To do this, the JDRF network works internationally to:

- ◆ fund a world class research programme focused on curing, treating and preventing type 1 diabetes, with about £300 million currently committed to research;
- ◆ influence research funders and policy makers to accelerate the pace of research; and
- ◆ ensure that research outcomes reach people with type 1 diabetes.

Our mission in the UK

JDRF in the UK benefits from being a part of this global network and our mission and strategy follows that of each of our international partners. It has three main strands – research funding, advocacy, and support and education.

We fund research approved and administered by our international research programme, based in the USA.

We work with government, academia and industry to accelerate research in the UK and within healthcare policy to ensure that the outcomes of research are delivered to people with type 1 in the UK.

We support people with type 1 diabetes with information about their condition, how medical research is improving type 1 treatment, and how they can get involved in finding the cure.

Of particular note this year in working towards achieving our mission was the JDRF/Wellcome Trust scientific symposium, bringing together UK and international researchers to discuss new avenues of exploration in autoimmunity. Also of significance is the increase that JDRF has achieved in national media coverage of type 1 diabetes, its impact and research into the condition – up from eight pieces to 27 pieces this year.

JDRF in FY14: A year in review

Supporting our mission to cure type 1 diabetes

All of the work of JDRF in the UK is funded by the public – we receive no government funding. It is thanks to the hard work of people and families living with type 1 diabetes, our corporate partners, trusts and others, that we are able to work towards curing, treating and preventing type 1 diabetes.

We would like to say thank you to everyone who walked, ran, climbed, cycled, baked, swam, dressed up, asked for donations in lieu of gifts and found ever increasingly innovative ways to raise funds for JDRF. We especially mention the 26 people, 19 of them who live with type 1 diabetes who climbed Kilimanjaro to help support our work.

Despite external financial pressures, which have continued to impact across the UK, in FY14 we grew our income by 13 per cent and were pleased to be able to increase the amount of funds we invest in research grants and advocacy by the same percentage.

We will strive to achieve a similar level of growth in FY15, so that we can fund and drive more research to cure, treat and prevent type 1 and work to make sure that the outcomes of this research are delivered to all of us whose lives are affected by type 1 diabetes.

So, as we look back on a challenging and successful FY14 and forward to FY15, we thank all of our supporters, volunteers, researchers and staff for your continued commitment to helping to find the cure for type 1 diabetes and its complications.

Ian Edwards
Chairman

Karen Addington
Chief Executive

FY14 has been another year of considerable activity and progress towards our ultimate goal through our charitable programmes – funding research, advocacy, support and education.

As well as UK highlights of our global research programme, we report here on the highlights of the work funded elsewhere in the world, to give a picture of the true impact of the JDRF global network.

Funding research

The UK's type 1 research community continues to attract significant funding from JDRF's international research programme, reinforcing our country's reputation as a leader in the field of autoimmunity; and demonstrating the excellence of researchers working to deliver the artificial pancreas and to treat the complications of type 1 diabetes. The JDRF network's total funding of research in the UK for FY14 totalled £4.6 million, from a global portfolio commitment of £62 million. Of this, JDRF in the UK funded £1.43 million.

Highlights this year from the UK and global research programmes have included:

Immune research

In February 2014, Dr Ricardo Ferreira and Professor John Todd at the University of Cambridge published the results of a study into the link between viral infection and type 1. They found that a genetic response normally associated with infection preceded the first indications of the condition in children.

The genes were most strongly activated in those who later went on to produce autoantibodies to pancreatic cells (a strong indication of likelihood of progressing to type 1). Children who did not develop this immune response during the study had lower levels of activation.

Also this year, Dr Frank Waldron-Lynch at the University Cambridge completed recruiting for the DILT1D study – a full year earlier than planned. This study is using a protein called interleukin-2 to try to delay the progression of type 1 in people in the honeymoon phase (a time after diagnosis where people still produce some of their own insulin.)

Encapsulation

In February 2014, JDRF announced additional milestone-based funding for ViaCyte to continue development of its encapsulation product, VC-01. JDRF funding will help ensure the project moves into the clinical phase of development. The company plans to begin clinical trials by the end of 2014.

Funding research (continued)

Artificial Pancreas

In March 2014, Dr Roman Hovorka at the University of Cambridge published results from his overnight artificial pancreas trial in children and young people in *Diabetes Care*. The participants, aged between 12 and 18, used the device in their own homes, unsupervised by researchers – the first time that this has ever been done (all previous artificial pancreas trials, in hospitals and in home environments, have seen researchers strictly monitor patients).

The participants saw improved blood glucose control during the trial, keeping to target on 70 per cent of nights, as opposed to 52 per cent for those on pumps alone. They also experienced fewer nights with hypoglycaemic episodes and used less insulin overall.

Smart Insulin

In May 2014, Merck updated the research community on its smart insulin programme, which was supported by JDRF at its inception and then acquired by Merck in 2010. The company announced that it is taking smart insulin into human trials, the first of which will be carried out in the USA and Canada.

Complications

In November 2013, Professor David Dunger at the University of Cambridge published a paper in *Diabetes Care*, that showed that a simple urine test could help identify which young people with type 1 diabetes may be at risk of heart and kidney disease.

The team demonstrated that raised levels of a protein called albumin in the urine (even within what is considered the 'normal' range at the moment) are linked to a higher risk of these diseases among adolescents with type 1.

Prevention

In December 2013, a team led by Professor Polly Bingley at the University of Bristol found that a person's age at the onset of their type 1 diabetes can indicate how likely it is that their siblings will also develop the condition.

It was found that for children who developed type 1 before the age of 10 years, 23 per cent of their siblings also developed the condition before the age of 15. The figure was just 3 per cent for siblings of those whose type 1 developed after their tenth birthday.

This suggests that there are factors – genetic or environmental – that may be influencing both siblings, prompting both an earlier onset and increased susceptibility.

Research advocacy and development

As well as funding more research in the UK, we have been focused on our strategic priority of influencing the research investment of other funding bodies in the UK, particularly the UK government's Medical Research Council, and within the European Union.

In FY13 JDRF brought researchers together from across Europe to stimulate funding applications to the European Union's FP7 research fund. Of the three applications submitted one was funded through FP7, leading to an EUR11million investment in type 1 research as a result of the initiative. This project, to develop immunological therapies for the treatment of type 1 diabetes, continues on time and on budget. Ideas from the two other applications have been submitted to other funding bodies for consideration.

There are more than four million people in the UK with an autoimmune disease. Type 1 diabetes, which affects more than 400,000 people in the UK, is one of the best characterised and most common autoimmune conditions. There are many potential benefits from working across autoimmunity to improve our understanding of type 1 and progress towards bringing new treatments to clinical trial.

In June 2013 JDRF published an analysis of UK research into type 1 diabetes. The Type 1 Diabetes Research Roadmap highlighted that the UK is a world leader in autoimmunity research, but that collaboration between different groups of researchers could be improved.

Responding to this finding, JDRF worked with the Wellcome Trust to organise a Symposium to discuss the common mechanisms of autoimmune disease and to encourage collaborative research in this area. The symposium, which took place at the end of January 2014 attracted leading researchers from around the world and stimulated a significant amount of discussion and interest in possible collaborations in this area.

Following on from this meeting, in March 2014 we took 200 children, adults and parents affected by type 1 diabetes to Westminster for Type 1 Parliament, to launch our #CountMeIn campaign, asking the three main political parties to commit to investment in type 1 research in the run up to the 2015 general election to bring the UK in line with per capita government spending in the USA, Canada and Australia.

Through this event, JDRF and our supporters engaged the Prime Minister, Leader of the Opposition, Home Secretary and Deputy Prime Minister as well as government and shadow health and science ministers – 66 MPs and Lords in total. As a result the Government has revised and reissued its historic spending figures and we remain in discussion with Government and other funders about opportunities for future collaboration in type 1 research.

Delivering research to people with type 1

This year we began the process of submitting evidence to the National Institute of Health and Clinical Excellence (NICE) review of the Medtronic VEO and other continuous glucose monitoring systems. The review panel will report in FY15.

Working with Diabetes UK, JDRF is supporting the Diabetes All Party Parliamentary Group in carrying out an enquiry into diabetes education, including barriers to technologies and Healthcare Professional and patient education. This enquiry will result in a report in FY15.

Support and education

JDRF's mission is to improve lives until we find the cure. The main focus of improvement is changing treatment through research. However we know the devastating impact that type 1 diabetes can have on the lives of those living with it and their families, at diagnosis and beyond.

To help overcome this, we provide information for children, adults and families about living with type 1, developments in treatment, and we are working to let everyone with a connection to type 1 know about the global effort to find the cure and to enable them to get involved in working towards a world without type 1 diabetes.

We know that myths and misconceptions about type 1 diabetes can make it harder for those living with the condition; so, where possible, we raise awareness of the condition and try to ensure correct information and reporting on type 1 diabetes, its causes and impact.

To this end:

- ◆ We have achieved 27 pieces of national coverage, and nearly 300 pieces of regional media coverage focused on type 1 diabetes and research over the past year, providing opportunities for more people to learn about type 1 diabetes and understand its impact;
- ◆ We have distributed 4,600 information packs for newly diagnosed children and adults; and
- ◆ More than 50 per cent more people than in FY13 visited the JDRF website to find out about our work and progress in the search for the cure.

All of these results have contributed to driving forward the global JDRF mission to improve lives until we find a cure for type 1 diabetes.

The directors present their report together with the audited financial statements of Juvenile Diabetes Research Foundation ("the charitable company") for the year ended 30 June 2014.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and serves as the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 24 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" (SORP 2005).

FINANCIAL REVIEW

Income

JDRF's raised voluntary income (excluding legacies which can vary considerably from year to year) grew significantly last year, from £4.1 million to £4.6 million, an increase of 13 per cent. Legacy income was very similar to the previous year, so JDRF's total income increased by the same percentage to £4.7 million. This reflects the continued success of our diversified portfolio of fundraising activities since JDRF implemented a growth strategy in FY06. Over the eight years since then JDRF's raised voluntary income has increased by over 130 per cent from £1.9 million to £4.6 million last year. This equates to an average annual growth rate of 12 per cent, a considerable achievement over this length of time.

Expenditure

The amount spent on research activities increased by £140,000 to £1.6 million, growth of 10 per cent. UK and global research achievements during the year are described on pages 6 and 7.

Spending on research advocacy grew by 13 per cent from £261,000 to £298,000. This is due to the costs of JDRF's second Type 1 Parliament, the achievements of which are covered on page 8. Research advocacy costs will decrease next year as this event is not held each year.

JDRF's information and education costs dropped slightly last year from £750,000 to £730,000 as we continue to explore new and cost effective ways, including using online and digital techniques, for achieving our awareness and educational goals.

As a result of these new and ongoing initiatives total spending on charitable objectives increased last year by £150,000 to £2.62 million. Over the eight years identified above, the implementation of JDRF's growth strategy has meant spending on charitable objectives has increased from £1 million to £2.62 million. This is an increase of 150 per cent, which demonstrates that our strategy has successfully delivered a higher proportion of our income to charitable activities over this period.

FINANCIAL REVIEW (continued)

Expenditure (continued)

In FY14 spending on fundraising grew by £125,000 (7 per cent) to £1.9 million. This is significantly lower than the £540,000 (13 per cent) growth in our raised voluntary income demonstrating our increased effectiveness in fundraising last year. As we continue to invest in income generation and growth, we anticipate that in future years more funds will continue to be available for our charitable objectives, both in absolute terms and also as a proportion of total spending, as was the case in FY14.

JDRF Trading Limited

These accounts consolidate the income, costs, assets and liabilities of JDRF Trading Limited with those of JDRF. Our wholly owned trading subsidiary enables JDRF to take full advantage of opportunities to grow revenue – primarily from the corporate sector through sponsorship of events and other activities. The company produces separate accounts which can be obtained from JDRF's Director of Finance and Resources and they are summarised in note 9 to these accounts. The trading company's income for the year was £210,000 (FY13: £252,000), and operating profit for the year (entirely gift aided to JDRF) was £142,000 (FY13: £183,000).

Balance sheet for the group

Cash and short term deposits at 30 June 2014 totalled £823,000 (FY13: £711,000). JDRF's policy is to hold its available cash in instant access and short term deposit accounts; and is consistent with our reserves policy for the level of general funds held. We ran down our funds in fixed term deposit accounts over the year as the interest rates available didn't compensate for the relative lack of flexibility these entail.

Debtors at the year end were £567,000 (FY13: £614,000), of which £361,000 related to accrued income. Creditors were £222,000 (FY13: £191,900).

Funds

Restricted funds dropped slightly over FY14 from £232,000 to £210,000. Unrestricted funds increased by slightly more from £933,000 to £969,000. As a consequence, total funds held at the year end grew slightly from £1,165,000 to £1,178,000.

LOOKING AHEAD

Strategy for FY15

In FY15 we plan to increase our research funding by over 10 per cent.

We will recruit a new Research Advocacy Director to strengthen, drive and influence the path of type 1 diabetes research in the UK, working with other funders and government bodies to maximise the benefit of the excellent UK research environment and skills to JDRF's research programme. This appointment is essential to a medium term objective of significantly increasing UK and EU funding for type 1 diabetes research and delivery of the outcomes to people living with type 1.

We will support the passage of new key treatments and technologies through the NHS reimbursement system and communicate new developments in this area to people affected by type 1 diabetes.

We will continue to grow existing high level relationships within the political and research policy environment, using these relationships to influence progress in increasing excellent type 1 research.

In the run up to the UK election in 2015 we will work to educate all main political parties about the impact of type 1 diabetes and the benefits of investment in research to cure it.

We will develop a new resource to keep our supporters informed about 'gold standard treatment' and how they can access it, to support them in accessing the best possible healthcare for themselves and their families.

We will work with the Diabetes All Party Parliamentary Group and Diabetes UK to produce an investigative report on the state of diabetes education in the UK.

We aim to raise over £5 million to support delivery of our charitable objectives and continue to run a sound, resource-efficient charity, including:

- ◆ seeking to grow raised voluntary income (ie excluding legacies) by at least 10 per cent
- ◆ maintaining control of costs and continuing over time to reduce the ratio of fundraising costs to income generated
- ◆ in line with our reserves policy on page 13 below, reaching the FY15 year end with between 9 and 11 weeks of the subsequent year's budgeted expenditure in free reserves.

PUBLIC BENEFIT AND GRANT MAKING POLICY

The directors have taken account of the Charity Commission's guidance on public benefit in reviewing JDRF's aims and objectives and planning future activities. JDRF UK aims to fund as much as possible of the globally approved research carried out in the UK. JDRF's global research department sends details of the UK grant payments due on a monthly basis and JDRF UK will pay those funded by specific grants and donations and as much of the other grants as funds allow.

ACTIVITY IN SCOTLAND

JDRF has successful offices in Aberdeen and Edinburgh, supported by a very active and capable volunteer group. The office is well supported by the public across Scotland, who raise funds on JDRF's behalf. Our fundraising activities in Scotland delivered nearly £500,000 income during the year, with a new post spearheading a particular focus on central Scotland. In line with its goal of funding the best research wherever it is taking place in the world, JDRF funds diabetes research in Scotland and recently funded work at the University of Glasgow and five separate projects at the University of Dundee.

GOVERNANCE INFORMATION

Financial policies and activities

Reserves policy

The Board is committed to ensuring a sound financial base for JDRF's work and activities. It will guard against reasonable levels of risk, making funds available for future activities and providing for cashflow movements, while maximising the flow of funds to research.

The Board reviewed the reserves policy during the year with reference to Charity Commission guidelines. On the basis of forecasts and scenario analysis, and taking into account the particular circumstances of JDRF, the Board has determined that it expects JDRF to hold under normal circumstances free reserves at the year end equivalent to between 9 and 11 weeks of total budgeted expenditure for the forthcoming year. For FY14 this gives a free reserves target of between £0.9 million and £1.1 million. Free reserves at the year end were £957,000 (unrestricted funds minus fixed assets), and therefore within the Board's target range for the year.

Risk management

The Board monitors the principal business and control risks to JDRF, within a control framework. The risk assessment register is reviewed by the senior management and Audit and Risk Committee and updated accordingly. Strategies and timelines have been agreed for the management and limitation of identified risks, which have been reviewed by the Audit and Risk Committee and the Board.

GOVERNANCE INFORMATION (continued)

Financial policies and activities (continued)

Financial controls review

During the year the finance team updated its review of JDRF's internal financial controls and fraud risks, using the template of the Charity Commission's CC8 guidelines on *Internal Financial Controls for Charities*. This thorough exercise concluded that JDRF's internal controls and processes are appropriate to its activities and that risks are mitigated appropriately and proportionately.

STRUCTURE, GOVERNANCE AND MANAGEMENT

JDRF is a charitable company limited by guarantee incorporated on 6 November 1986 and registered as a charity on 14 May 1987. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

JDRF is governed by a Board of Directors who are also the trustees of the charity for the purposes of charity law, which meets at least five times a year. The Board sets the strategic goals of JDRF, reviews the pursuit of charitable objectives, establishes policy and monitors financial status and compliance with legal requirements. The Chief Executive assists the Board in these activities and together with the staff is responsible for the implementation of the Board's Strategic Plan and the day to day running of JDRF.

The Board of Directors has established three committees that report and are accountable to the Board – the Executive Committee, the Succession Committee and the Audit and Risk Committee – to assist in the efficient execution of its responsibilities and duties.

The Executive Committee oversees many of JDRF's operations and makes recommendations on substantive issues to the Board of Directors. The Executive Committee meets five times a year, and is composed of the Chairman, Treasurer, at least one other Director, and is attended by JDRF's senior management team. **The Succession Committee** (made up of three current or former Directors) meets as needed and is responsible for identifying and recruiting new Directors and ensuring retention and development of senior level volunteers. The **Audit and Risk Committee** is responsible for JDRF's compliance with statutory reporting, managing the relationship with the external auditor, reviewing the draft accounts and accompanying report, JDRF's risk management and a range of financial controls and processes. This committee is made up of the Treasurer and two other Directors, is attended by the Director of Finance and Resources and Head of Finance and meets at least three times a year.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment of Directors

All potential Directors of JDRF go through a nomination process before they join the Board. This is within the remit of the Succession Committee which has the goal of identifying and meeting individuals who have the necessary skills, experience and leadership attributes that will further JDRF's mission to find the cure for type 1 diabetes. To be considered for recommendation, candidates must confirm that they will accept the requirements of the role which, in addition to statutory criteria, include actively participating in at least one fundraising event per year and serving on at least one committee or group.

Directors are appointed by the Board but must be re-appointed by members at the first annual general meeting following their appointment. Directors serve an initial term of three years but may be reappointed for a further term of three years.

Induction of new Directors

Before their first Board meeting, each new Director has an induction meeting with the Chief Executive and with at least one other Director covering role, responsibilities, expectations and highlighting current governance and strategic issues. They are given an overview of organisational history and current activities; including organisational structure, the portfolio of charitable and fundraising activities, financial goals, controls and performance. After appointment, all new Directors have induction meetings with the members of JDRF's senior management team.

At the start of their tenure new Directors are given an induction manual including: (a) the most recent annual report and accounts; (b) memorandum and articles of association; (c) Charity Commission publications "Responsibilities of Charity Trustees" and "Hallmarks of an Effective Charity"; and a range of internal documents and publications.

Training of Directors

Collective training on issues of strategy and governance is offered to Directors.

Volunteers

Volunteers play a vital role at JDRF. During the year a significant number of volunteers served on development groups within the regions and in groups supporting national fundraising teams and activities. All Board Directors and advisors from the scientific community give their time free of charge. In addition, volunteers help JDRF with many aspects of our work, especially with fundraising events and with office activities. In total over 600 individuals volunteered to support JDRF in one way or another and we are extremely grateful to all of these dedicated supporters. JDRF does not consider that it would be practical to try to calculate the value of its volunteer support in monetary terms because of the uncertainties involved and the challenge of quantifying very different forms of commitment and support.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the trustees' 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors confirms that:

- ◆ so far as the Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of Directors' responsibilities (continued)

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of guarantees at 30 June 2014 was 27. The Directors have no beneficial interest in the charity but as members are entitled to voting rights.

AUDITORS

The Audit and Risk Committee, and the Board of Directors, were satisfied with the work of Buzzacott in their first year, auditing the FY13 accounts. Buzzacott was reappointed auditors by the Board for the year ended 30 June 2014 and Buzzacott has expressed its willingness to act in that capacity.

Approved by the Directors on 8 December 2014 and signed on their behalf by

Ian Edwards
Chairman

Independent auditor's report to the members of Juvenile Diabetes Research Foundation Limited

We have audited the financial statements of Juvenile Diabetes Research Foundation Limited for the year ended 30 June 2014 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are also the trustees of the charitable company for the purposes of charity law. As explained more fully in the statement of directors' responsibilities statement set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2014 and of the group's incoming resources and application of resources, including 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- ◆ the group has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the group's financial statements are not in agreement with the accounting records; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.
- ◆ the directors were not entitled to take advantage on the small companies exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

12 December 2014

Consolidated statement of financial activities Year to 30 June 2014

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|---|-------|----------------------------|--------------------------|-----------------------------|--------------------|
| Income and expenditure | | | | | |
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| . Voluntary income | | | | | |
| .. Donations and appeals | | 710,066 | 321,065 | 1,031,131 | 1,133,743 |
| .. Legacies | | 61,362 | 32,941 | 94,303 | 63,501 |
| .. Third party donations | | 826,587 | 11,130 | 837,717 | 700,938 |
| . Activities for generating funds | | | | | |
| .. Walk to Cure Diabetes | | 257,303 | — | 257,303 | 301,798 |
| .. Running and challenge events | | 1,566,006 | 33,093 | 1,599,099 | 908,077 |
| .. Trading activities | | 226,526 | — | 226,526 | 263,126 |
| .. Events and other fundraising activities | | 414,792 | 35,788 | 450,580 | 466,711 |
| .. Rental/other income | | 33,936 | — | 33,936 | 31,076 |
| . Investment income | | 5,111 | — | 5,111 | 13,125 |
| Incoming resources from charitable activities | | | | | |
| | 1 | | | | |
| . Research grants | | — | 115,459 | 115,459 | 194,468 |
| . Public education | | — | 61,810 | 61,810 | 95,840 |
| Total incoming resources | | 4,101,689 | 611,286 | 4,712,975 | 4,172,403 |
| Resources expended | | | | | |
| Cost of generating funds | | | | | |
| . Costs of generating income | | 1,882,198 | — | 1,882,198 | 1,756,238 |
| . Costs of trading activities | | 68,069 | — | 68,069 | 69,112 |
| Charitable activities | | | | | |
| . Research funding | | 965,747 | 626,813 | 1,592,560 | 1,454,031 |
| . Advocacy | | 297,882 | — | 297,882 | 261,389 |
| . Information/Education | | 667,518 | 61,810 | 729,328 | 753,722 |
| Subtotal charitable activities | | 1,931,147 | 688,623 | 2,619,770 | 2,469,142 |
| Governance costs | | 128,751 | — | 128,751 | 119,891 |
| Total resources expended | 2 | 4,010,165 | 688,623 | 4,698,788 | 4,414,383 |
| Net incoming (outgoing) resources before transfers | 4 | 91,524 | (77,337) | 14,187 | (241,980) |
| Gross transfers between funds | 14 | (55,675) | 55,675 | — | — |
| Net movement in funds | | 35,849 | (21,662) | 14,187 | (241,980) |
| Fund balances brought forward at 1 July 2013 | | | | | |
| | | 933,275 | 232,046 | 1,165,321 | 1,407,301 |
| Fund balances carried forward at 30 June 2014 | | | | | |
| | 14 | 969,124 | 210,384 | 1,179,508 | 1,165,321 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above in note 14 to the financial statements.

Balance sheets 30 June 2014

| | Notes | Group | | Charity | |
|--|-------|------------------|-----------|------------------|-----------|
| | | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | 11,762 | 32,088 | 11,762 | 32,088 |
| Investments | 8 | — | — | 10,001 | 10,001 |
| | | 11,762 | 32,088 | 21,763 | 42,089 |
| Current assets | | | | | |
| Debtors | 11 | 566,550 | 614,215 | 571,393 | 591,243 |
| Short term deposits | | — | 370,168 | — | 370,168 |
| Cash at bank and in hand | | 823,160 | 340,750 | 767,772 | 308,760 |
| | | 1,389,710 | 1,325,133 | 1,339,165 | 1,270,171 |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 12 | 221,964 | 191,900 | 181,420 | 146,939 |
| Net current assets | | 1,167,746 | 1,133,233 | 1,157,745 | 1,123,232 |
| Total net assets | 13 | 1,179,508 | 1,165,321 | 1,179,508 | 1,165,321 |
| Represented by: | | | | | |
| Funds and reserves | 14 | | | | |
| Restricted funds | | 210,384 | 232,046 | 210,384 | 232,046 |
| Unrestricted funds | | | | | |
| . General fund | | 969,124 | 933,275 | 969,124 | 933,275 |
| | | 1,179,508 | 1,165,321 | 1,179,508 | 1,165,321 |

Approved by the directors on 8 December 2014 and signed on their behalf by:

Ian Edwards

Chairman

Michael Yardley

Treasurer

Company Registration Number: 02071638 (England and Wales)

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary JDRF Trading Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes to the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

Incoming resources

Voluntary income received by way of subscriptions, donations and gifts to the charity is included in full in the statement of financial activities when receivable. Income is deferred if it relates to a specific future economic period. Gifts in kind are included in the statement of financial activities at their estimated gross value. Donated services and facilities are recognised as an incoming resource at their estimated value to the charity. Volunteer time is not included in the financial statements.

Legacy income is accounted for on a receivable basis. A legacy is considered receivable for the period only once the amount of the receipt is known with reasonable certainty.

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

Resources expended

Resources expended are allocated to a particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central functions, is apportioned on the basis of an estimate, based on staff time, of the amount attributable to each activity.

Premises and office costs are allocated based on the amount of floor space attributable to each activity, except for regional offices which are split 75% cost of generating funds, 5% advocacy and 20% information/education.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The costs of generating funds relate to the costs incurred by the group in raising funds for the charitable work.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable activities. Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities.

Grants payable are charged to the statement of financial activities in the year in which agreement to pay has been reached with JDRF's global research department.

Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- ◆ Computer equipment 3 years
- ◆ Promotional equipment 3 years
- ◆ Fixtures and fittings 5 years

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value or value in use.

Investments

Investments held as fixed assets comprise shares in the charity's subsidiary trading company are stated at cost.

Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities over the life of the lease using the straight line basis.

Pension scheme

Juvenile Diabetes Research Foundation contributes to staff group personal pension plans. The pension charge represents payments to the scheme which are charged to the statement of financial activities in the period to which they relate. Employer contributions are 3% after 3 months, 5% after 2 years and 7% after 4 years of service. Using a 'Salary Sacrifice Scheme', employees may additionally sacrifice up to 10% of gross salary to their pension. The charitable company has no liability under the scheme other than for the payment of these contributions.

Fund accounting

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Balance sheet assets/liabilities in foreign currencies are translated at the prevailing exchange rate at the balance sheet date. Transactions are translated at the transaction date exchange rate. Any exchange rate differences arising are credited or charged to the statement of financial activities.

1 Incoming resources from charitable activities

| | 2014 Total Restricted £ | 2013 Total Restricted £ |
|--|--|----------------------------------|
| Research Grants | | |
| The Mary Kinross Charitable Trust | 50,000 | 34,385 |
| The Alan and Babette Sainsbury Charitable Fund | — | 100,000 |
| PF Charitable Trust | — | 10,000 |
| Medtronic Foundation | 12,050 | — |
| Sugar Free | 22,000 | — |
| Violet Richards Trust | 15,000 | — |
| Diabetes Ireland Research Alliance | — | 12,500 |
| Macquarie Trust | — | 28,000 |
| Donations £5,000 or less | 16,409 | 9,583 |
| | 115,459 | 194,468 |
| Public education | | |
| The Monument Trust | 33,500 | 33,500 |
| Medtronic Foundation | — | 26,000 |
| Garfield Weston Foundation | — | 20,000 |
| Lilly Grants and Donations Committee | — | 10,040 |
| Anton Jurgen | 10,010 | — |
| Beefys Charitable Foundation | 10,000 | — |
| Donations £5,000 or less | 8,300 | 6,300 |
| | 61,810 | 95,840 |
| | 177,269 | 290,308 |

2 Total resources expended

| | Note | Cost of generating funds £ | Research funding £ | Advocacy £ | Information/ education £ | Governance costs £ | Support costs £ | 2014 Total £ | 2013 Total £ |
|---|------|-------------------------------------|--------------------------|----------------|--------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs | 5 | 881,999 | 120,256 | 182,602 | 359,896 | 92,169 | 185,654 | 1,822,576 | 1,767,992 |
| Other staffing costs | | 27,186 | 1,260 | 1,913 | 9,138 | 966 | 11,272 | 51,735 | 98,489 |
| Office costs | | 95,902 | 7,337 | 11,676 | 29,096 | 2,935 | 26,413 | 173,359 | 154,141 |
| Rent and premises | | 88,553 | 7,566 | 11,351 | 27,245 | 3,026 | 27,236 | 164,977 | 176,414 |
| Depreciation | | — | — | — | — | — | 25,736 | 25,736 | 32,976 |
| Information technology costs | | 22,741 | 3,158 | 3,790 | 7,580 | 1,263 | 11,371 | 49,903 | 58,339 |
| Direct fundraising costs | | | | | | | | | |
| . Donations and appeals | | 68,405 | — | — | — | — | — | 68,405 | 105,539 |
| . Third party donations | | 25,755 | — | — | — | — | — | 25,755 | 7,078 |
| . Walk to Cure Diabetes | | 76,169 | — | — | — | — | — | 76,169 | 72,565 |
| . Running and challenge events | | 315,643 | — | — | — | — | — | 315,643 | 194,586 |
| . Trading activities | | 14,867 | — | — | — | — | — | 14,867 | 10,807 |
| . Events and other fundraising activities | | 178,039 | — | — | — | — | — | 178,039 | 151,888 |
| Subtotal direct fundraising costs | | 678,878 | — | — | — | — | — | 678,878 | 542,463 |
| Audit fees | | — | — | — | — | 9,960 | — | 9,960 | 12,000 |
| Governance | | — | — | — | — | 2,233 | — | 2,233 | 979 |
| Advocacy | | — | — | 54,459 | — | — | — | 54,459 | — |
| Information/education | | — | — | — | 233,123 | — | — | 233,123 | 248,961 |
| Research development activities | | — | — | — | — | — | — | — | 31,313 |
| Research grants – unrestricted | 3 | — | 860,711 | — | — | — | — | 860,711 | 499,655 |
| Research grants – restricted | 3 | — | 571,138 | — | — | — | — | 571,138 | 763,361 |
| | | 1,795,259 | 1,571,426 | 265,791 | 666,078 | 112,552 | 287,682 | 4,698,788 | 4,414,383 |
| Support costs | | 155,008 | 21,134 | 32,091 | 63,250 | 16,199 | (287,682) | — | — |
| Total resources expended | | 1,950,267 | 1,592,560 | 297,882 | 729,328 | 128,751 | — | 4,698,788 | 4,414,383 |
| 2013 | | 1,825,350 | 1,454,031 | 261,389 | 753,722 | 119,891 | — | 4,414,383 | |

Notes to the financial statements 30 June 2014

3 Research grants

| | Principal investigator | Unrestricted £ | Restricted £ | Total £ |
|---|-------------------------------|----------------|--------------|-----------|
| University of Glasgow | John Petrie | | | |
| REMOVAL study: Reducing with Metformin Vascular Adverse Lesions in type 1 Diabetes | | 8,675 | 1,325 | 10,000 |
| University of Birmingham | Parth Narendran | | | |
| Understanding T cell migration via inflamed endothelium in Diabetes Type 1 | | 61,859 | — | 61,859 |
| University of Cardiff | Andrew Sewell | | | |
| Developing and optimising pHLA multimers as a biomarker for T1D | | 57,396 | 33,976 | 91,372 |
| King's College, London | Peter Martin Jones | | | |
| Islet cell encapsulation: Nano vs micro encapsulation | | 73,084 | 28,500 | 101,584 |
| King's College, London | Mark Peakman | | | |
| JDRF UK Centre for Diabetes Genes, Autoimmunity and Prevention (D-GAP) | | 30,978 | 15,527 | 46,505 |
| King's College, London | Mark Peakman | | | |
| Immunological markers of beta cell decline in new onset Type 1 diabetes | | 70,941 | 4,979 | 75,920 |
| King's College, London | Els Henckaerts, MD PhD | | | |
| Rejuvenating cell antigen-specific regulatory T-cells for adoptive therapy | | 32,186 | 17,814 | 50,000 |
| University of Dundee | Rory McCrimmon MD | | | |
| Improving recovery from hypoglycemia using Katp | | — | 18,852 | 18,852 |
| Tel Aviv University | Shimon Efrat PhD | | | |
| Insulin-producing cells from iPS cells derived from human beta cells | | — | 72,929 | 72,929 |
| University of Dundee | Helen Colhoun | | | |
| Extreme Phenotypes relevant to Diabetic Complications in Type 1 Diabetes | | 54,760 | 30,806 | 85,566 |
| University of Dundee | Craig Beall | | | |
| The role of AMPK in hypoglycaemia detection and GABA regulation | | — | 10,703 | 10,703 |
| University of Cambridge | Wellcome Trust (John Todd) | | | |
| JDRF/ Wellcome Trust Diabetes and Inflammation Laboratory | | 20,983 | 4,017 | 25,000 |
| University of Bristol | Kathleen Gillespie | | | |
| What protects islet antibody positive T1D relatives who do not progress? | | 60,180 | 49,876 | 110,056 |
| University of Bristol | Kathleen Gillespie | | | |
| What protects islet autoantibody positive T1D relatives who do not progress? | | 29,395 | — | 29,395 |
| University of Bristol | Polly Bingley | | | |
| The UK International Clinical Site (UK Trials Group) | | 65,579 | 8,449 | 74,028 |
| University of Cambridge | Correia Bothelho Chaves Ferre | | | |
| Using gene-phenotype studies to identify early disease biomarkers for T1D | | 22,138 | — | 22,138 |
| University of Cambridge | Roman Hovorka | | | |
| HOVORKA Overview: Overnight closed-loop in young people type 1 diabetes | | 101,529 | 45,298 | 146,827 |
| King's College London | Tim Tree | | | |
| Identifying a signature for islet-specific IL-10 secreting (ISIS) Tregs | | — | 47,381 | 47,381 |
| King's College London | Tim Tree | | | |
| Iatrogenic immunisation reveals the properties of islet destructive T-cells | | — | 86,416 | 86,416 |
| Cardiff University | Terri Thayer | | | |
| Tolerizing insulin-reactive CD8 T cells in Type 1 Diabetes | | — | 31,344 | 31,344 |
| Imperial College London | Mark Kalisz | | | |
| The role of novel epigenetic regulators in beta cell development and growth | | 6,750 | 22,548 | 29,298 |
| University of Exeter | Sarah Richardson | | | |
| Pancreatic enteroviral persistence – a molecular trigger for Islet autoimmunity and type 1 diabetes in humans? | | 87,499 | — | 87,499 |
| California Institute for Biomedical Research | Matthew Tremblay | | | |
| A Glucose-responsive Insulin Based on Boronic Acid-Containing Unnatural Amino Acids | | 359 | 12,700 | 13,059 |
| University of Cambridge | David Dunger | | | |
| Adolescent Type 1 Diabetes Cardio-Renal Protection Study | | 76,420 | — | 76,420 |
| Children's Hospital of Eastern Ontario | Dr Heffernan scholarship | | | |
| Evaluation of a novel CGM trend arrow bolus adjustment tool in children and adolescents with type 1 diabetes using insulin pump | | — | 27,698 | 27,698 |
| | | 860,711 | 571,138 | 1,431,849 |

4 Net incoming (outgoing) resources before transfers

This is stated after charging:

| | 2014 £ | 2013 £ |
|-----------------------------------|-----------|-----------|
| Depreciation | 25,736 | 32,976 |
| Directors' indemnity insurance | 711 | 636 |
| Auditor's remuneration | | |
| . Audit | 9,300 | 9,300 |
| . Under accrual for previous year | 660 | 1,500 |
| Operating lease rentals | | |
| . Property | 65,122 | 121,914 |

5 Staff costs and numbers

Staff costs were as follows:

| | 2014 £ | 2013 £ |
|-----------------------|------------------|------------------|
| Salaries and wages | 1,592,104 | 1,549,671 |
| Social security costs | 161,327 | 160,823 |
| Pension contributions | 69,145 | 57,498 |
| | 1,822,576 | 1,767,992 |

One employee earned between £90,000 and £100,000 during the year (2013 – none). No employee earned between £80,000 and £90,000 during the year (2013 – one), and one employee between £60,000 and £70,000 (2013 – one). The pension contributions paid during the year for these employees totalled £11,193 (2013 - £10,871).

The average weekly number of employees (full time equivalent) in JDRF's functional departments during the year was as follows:

| | 2014 | 2013 |
|--------------------------|-------------|-------------|
| Cost of generating funds | 27.9 | 27.2 |
| Research funding | 2.7 | 2.7 |
| Advocacy | 2.0 | 2.0 |
| Information/Education | 6.2 | 5.9 |
| Support services | 8.3 | 8.5 |
| Governance | 1.3 | 1.3 |
| | 48.4 | 47.6 |

6 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary JDRF Trading Limited gift aids available profits to the charity.

7 Tangible fixed assets

| | Promotional equipment £ | Computer equipment £ | Fixtures and fittings £ | Total £ |
|-----------------------|-------------------------------|----------------------------|-------------------------------|-----------------|
| Cost | | | | |
| At 1 July 2013 | 8,813 | 83,186 | 46,012 | 138,011 |
| Additions in the year | — | 4,842 | 568 | 5,410 |
| Disposals in the year | (8,813) | (36,334) | (4,401) | (49,548) |
| At 30 June 2014 | — | 51,694 | 42,179 | 93,873 |
| Depreciation | | | | |
| At 1 July 2013 | 8,813 | 59,490 | 37,620 | 105,923 |
| Charge for the year | — | 17,231 | 8,505 | 25,736 |
| Disposals in the year | (8,813) | (36,334) | (4,401) | (49,548) |
| At 30 June 2014 | — | 40,387 | 41,724 | 82,111 |
| Net book value | | | | |
| At 30 June 2014 | — | 11,307 | 455 | 11,762 |
| At 30 June 2013 | — | 23,696 | 8,392 | 32,088 |

8 Investments

| | 2014 £ | 2013 £ |
|---|---------------|-----------|
| Investment in unquoted subsidiary undertaking at cost | 10,001 | 10,001 |

9 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of JDRF Trading Limited, a company registered in England on 17 December 2007. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

| | 2014 £ | 2013 £ |
|---|------------------|-----------|
| Turnover | 210,139 | 251,796 |
| Cost of sales | — | — |
| Gross profit | 210,139 | 251,796 |
| Administrative expenses | (68,069) | (69,112) |
| Operating profit | 142,070 | 182,684 |
| Taxation | — | — |
| Profit on ordinary activities after taxation | 142,070 | 182,684 |
| Gift aid to parent undertaking | (142,070) | (182,684) |
| Profit (loss) for financial year | — | — |

9 Subsidiary undertaking (continued)

The aggregate of the assets, liabilities and funds was:

| | 2014 £ | 2013 £ |
|-------------|-----------------|-----------|
| Assets | 76,088 | 125,890 |
| Liabilities | (66,087) | (115,889) |
| Funds | 10,001 | 10,001 |

10 Parent undertaking

The parent undertaking's gross income and the results for the year are disclosed as follows:

| | 2014 £ | 2013 £ |
|----------------------|------------------|-----------|
| Gross income | 4,502,836 | 3,920,607 |
| Results for the year | (127,884) | (424,664) |

11 Debtors

| | Group | | Charity | |
|-----------------------------|----------------|-----------|----------------|-----------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Trade debtors | 55,243 | 188,741 | 34,543 | 94,841 |
| Other debtors | 4,105 | 6,256 | 4,105 | 6,256 |
| Amounts due from subsidiary | — | — | 25,543 | 70,928 |
| Prepayments | 146,013 | 150,388 | 146,013 | 150,388 |
| Accrued income | 361,189 | 268,830 | 361,189 | 268,830 |
| | 566,550 | 614,215 | 571,393 | 591,243 |

12 Creditors: amounts due within one year

| | Group | | Charity | |
|-------------------------------------|----------------|-----------|----------------|-----------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Trade creditors | 81,396 | 53,351 | 81,396 | 53,351 |
| Taxation and social security | 50,504 | 67,008 | 45,460 | 51,880 |
| Other creditors | 21,820 | 13,191 | 21,820 | 13,191 |
| Rent free benefit over lease period | — | 4,000 | — | 4,000 |
| Deferred income | 35,500 | 29,833 | — | — |
| Accrued costs | 32,744 | 24,517 | 32,744 | 24,517 |
| | 221,964 | 191,900 | 181,420 | 146,939 |

13 Analysis of group net assets between funds

| | Restricted funds £ | General funds £ | Total funds £ |
|-----------------------------------|-----------------------|--------------------|------------------|
| Tangible fixed assets | — | 11,762 | 11,762 |
| Net current assets | 210,384 | 957,362 | 1,167,746 |
| Net assets at the end of the year | 210,384 | 969,124 | 1,179,508 |

14 Movement in funds

| | At 1 July 2013 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | At 30 June 2014 £ |
|---------------------------|---------------------|-------------------------|-------------------------|----------------|----------------------|
| Restricted funds | | | | | |
| Research funding | 232,046 | 549,476 | (626,813) | 55,675 | 210,384 |
| Public education | — | 61,810 | (61,810) | — | — |
| Total restricted funds | 232,046 | 611,286 | (688,623) | 55,675 | 210,384 |
| Unrestricted funds | | | | | |
| General funds | 933,275 | 4,101,689 | (4,010,165) | (55,675) | 969,124 |
| Total funds | 1,165,321 | 4,712,975 | (4,698,788) | — | 1,179,508 |

Purpose of restricted funds

Restricted funds are received for the purpose of carrying out particular activities; usually research grant funding, information/education and advocacy activities. They either directly contribute to these activities, or are applied to core costs related to information/education about type 1 diabetes and the related dissemination of research information.

Transfer

Funds have been transferred to cover the indirect costs of providing research funding, including research-related salary costs and re-allocated support costs.

15 Operating lease commitments

The group and charity had annual commitments at the year end under operating leases expiring as follows:

| | 2014 | | 2013 | |
|----------------------------|-------------------------|------------|-------------------------|------------|
| | Land and buildings £ | Other £ | Land and buildings £ | Other £ |
| Less than one year | 51,394 | — | 19,075 | — |
| Between one and two years | 13,728 | 826 | 100,144 | 888 |
| Between two and five years | — | — | 6,600 | — |