

**Juvenile Diabetes
Research Foundation
Limited**

**Annual Report and Financial
Statements**

30 June 2020

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

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

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Directors' report

The Directors present their report, together with the audited financial statements of Juvenile Diabetes Research Foundation Limited ("the charitable company"), for the year ended 30 June 2020.

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 31 to 36 and comply with the charitable company's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

About JDRF: 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 vision: a world without type 1 diabetes. There are JDRF affiliates in the USA, UK, Canada, Australia, Netherlands and Israel.

JDRF's international mission is to improve lives today and tomorrow by accelerating life changing breakthroughs to cure, prevent and treat type 1 diabetes.

Our mission in the UK

To achieve our mission of eradicating type 1 diabetes and its effects for people in the UK we:

- ◆ fund research approved and administered by the JDRF international research programme, based in the USA and supported by our UK Research Partnerships team
- ◆ work with government, academia and industry to accelerate research in the UK and advocate within healthcare policy to ensure that the outcomes of research are delivered to people with type 1 in the UK
- ◆ give support and a voice to people with type 1 and their families.

Directors' report

Chair CEO Foreword

This last year has been unprecedented: the COVID 19 pandemic has fundamentally changed how we all live and work, how we support each other and how we manage, individually and collectively, our livelihoods, health and wellbeing.

Since February 2020, JDRF has adapted working practices, anchored in the optimum delivery of our mission. As such, we have harnessed pertinent opportunities in type 1 diabetes research, advocacy and fundraising. We have learnt much and are proud of our delivery in challenging circumstances.

We also want to recognise that the year has been remarkable for the pace of progress in medical research and new treatments for people living with type 1. For example, in March 2020 Professor Roman Hovorka at the University of Cambridge launched the worlds' first licensed artificial pancreas app for people with type 1. This advancement was made possible thanks to 13 years of dedicated JDRF funding. At the same time, an expanding range of advanced insulin pumps and glucose monitors are becoming increasingly available on the NHS, supported by JDRF evidence based research and advocacy.

Our mission advances are rooted in a JDRF culture of collaboration and continuous improvement. We were delighted that JDRF was named as one of the top ten charities to work for in the Third Sector Awards 2020. JDRF's strategic planning, staff wellbeing and working relationships were highly praised. One key aspect of our work in FY20 was a review of diversity and inclusion working practices across all our areas of operations.

Despite the significant achievements of the year, it is important to recognise that JDRF has been impacted by the effect of the pandemic particularly in relation to delivery of existing research programmes, the short term sustainability of our income generation and the provision of information and support to people living with type 1. JDRF is working to counteract the negative effects of the pandemic through astute board governance, updated risk management processes and by adapting our working practices and partnerships.

We know that next three years will be characterised by economic uncertainty and a requirement to be agile in the raising of income and delivery of our mission. We have developed a new three year strategy which we are confident will drive JDRF's research and treatment outcomes forward during this period of uncertainty, providing the foundation and momentum to help eradicate type 1 diabetes and the complications it causes.

The one constant in this period of flux and uncertainty has been the unstinting loyalty of our supporters. We strive to be transparent and accountable to reflect the trust that they place in us and thank each one of them for their incredible generosity and commitment to JDRF.

David McTurk
Chairman

Karen Addington
CEO

OUR THREE YEAR STRATEGY: FY18-20

This year marks the end of JDRF's three year FY18-20 strategy to further our vision of a world without type 1 diabetes.

We committed to increasing research funding in the years in which we grew income. We pledged to increase the effectiveness of our work in research partnerships, advocacy support and information. We committed to supporting people with type 1 to access new technologies and treatments by working to address current gaps in UK provision. We also committed to building our free reserves in line with growth.

This report outlines our progress against our strategy, taking account of the constraints placed by a challenging three year fundraising environment and the effects of the COVID 19 pandemic in the last four months of the strategy.

FY21 marks the start of our new FY21-23 strategy which embeds a greater focus on mission outcomes and organisational effectiveness.

1. FY20 Research funding and Research Partnerships results

1.3 Research funding and research partnerships FY18-20 strategic objectives:

Aim for a £8 million cumulative target for research over three years funded from our own growing income (three years to FY17 £6.9 million)

Develop multi-year research funding partnerships, building on UK strengths, leveraging £6 million of external funds directly into type 1 diabetes research over three years

FY20 was defined by two distinct halves of practice: progress achieved pre pandemic and then alterations to accommodate the challenges caused by Covid 19. While significant advances have been made through our global and UK partnerships, key changes have had to be implemented to respond to the changing income and work environment. Many research teams have been unable to access laboratories and clinical researchers have been pulled into frontline clinical care, meaning many research plans have been disrupted to a significant extent. The impact of reduced income and reduced research activity will be felt in FY21 and beyond and it will take time to quantify the effect of the last six months.

However in relation to FY20 and the three year results for research funding, we are pleased with our achievements, set against the challenges of the pandemic.

In FY20 JDRF spent it's largest amount ever, £2.6 million, on research in the UK, as the final contribution towards our three year target of £8 million (the total spent over the preceding three year period was £6.9 million). The total achieved against this goal was £7.6 million, which reflects the unexpectedly challenging fundraising environment experienced by JDRF since 2018. Overall, across the time period of our three year FY18-20 strategy we have achieved an 11% growth in research expenditure, above that of our FY16-18 funding. We are delighted with this considerable achievement. In particular we have grown research funding by a higher proportion than income has grown, and have increased research funding even in years when income has dropped slightly.

1. FY20 Research funding and Research Partnerships results (continued)

1.1 Research funding and research partnerships FY18-20 strategic objectives (continued):

We have made progress in developing externally funded partnership income to further support type 1 diabetes research in the UK. In the last year we secured over £600,000 of externally funded partnership income, which flows directly to researchers, and not to JDRF, to further build the UK's expertise as a global leader in type 1 diabetes research. The cumulative £4.8 million of externally funded partnership income over the three year period of our strategy is a sum that we are pleased with, while acknowledging this represents 80% of the three year target. There have, and continue to be, major changes in the external funding landscape which directly affect partnership income, both recently in terms of the pandemic and also in relation to research funding uncertainty over the UK's decision to leave the EU.

More broadly, in FY20, the international JDRF network had a global portfolio research spend of £54 million (\$70 million) of which £4.1 million was spent in the UK. In this way, the network of JDRF international affiliates invests in UK research centres; delivering a core benefit to the UK to support and sustain country wide infrastructure for type 1 diabetes research.

1.2 Highlights of our year in UK and Global Research Programmes and Partnerships

Despite the challenges of the pandemic, over the last year, new opportunities have been harnessed and research teams have been since February pursuing work as far as the situation has allowed, with many teams reporting a strong focus on data analysis, sharing findings, building collaborations and mentoring early career scientists.

Partnership Achievements Include:

In 2019 JDRF was pleased to partner in a call for research proposals through the UK Regenerative Medicine Platform. The £17 million flagship initiative is a partnership between the Engineering and Physical Sciences Research Council, Biotechnology and Biological Sciences Research Council and Medical Research Council. It was established to ensure that research addressing regenerative medicine connects seamlessly from discovery science through to clinical and commercial application. Within the platform many specific conditions are addressed by different strands of regenerative medicine, but type 1 diabetes was not one of them. By co-funding a research project focused on growing new insulin-producing beta cells in the laboratory, JDRF has supported a promising research team led by Dr Rocio Sancho at King's College London. This project is working to develop ways of generating cells that could in future be used to restore the ability to produce insulin to people with type 1.

JDRF's autoimmunity partnership Connect Immune Research continues to be an important source of cross sector collaboration, bringing together expertise from across diverse research teams to tackle the clinical and research challenges of autoimmune conditions using a structured multidisciplinary approach. Connect Immune Research partners delivered a strong presence at the British Society of Immunology conference in December 2019, sparking new interest from diverse areas of academic research, industry and research funders. This has led to fresh opportunities about expanding the membership of Connect Immune Research and new initiatives the collaboration can undertake.

1. FY20 Research funding and Research Partnerships results (continued)

1.2 Highlights of our year in UK and Global Research Programmes and Partnerships (continued)

The pandemic also brought new opportunities for partnership. In response to Covid 19 Diabetes UK launched a rapid response funding call for proposals looking to address research questions about the new coronavirus relevant to people living with diabetes. JDRF was invited to review applications relevant to type 1 diabetes and quickly agreed to support a project seeking to understand the effects of lockdown and coronavirus infection in families affected by type 1 diabetes who participate in two long-running studies, the Bart's Oxford (BOX) study and UK TrialNet.

Global Research Programme Advances Include:

ViaCyte is a California-based beta cell replacement company long supported by JDRF. In October 2019 it showed - for the first time ever - that treating people with type 1 diabetes with the company's PEC-Direct therapy allowed these individuals to produce insulin again. The PEC-Direct therapy involves implanting Viacyte's stem-cell derived PEC-01 cells under the skin, where they can mature, and as this study has shown, begin producing insulin. This clinical trial marks significant progress towards developing an effective stem cell-derived islet replacement therapy for type 1 diabetes. This is important because current islet transplantation techniques rely on islets from organ donors, which severely limits the availability of this type of treatment.

In March 2020, JDRF-funded scientists at the University of Exeter announced that their research had revealed two 'subtypes' of type 1 diabetes. The research team found children diagnosed under seven years old have beta cells that don't process insulin properly and that almost all of these cells were rapidly destroyed by the immune system. In contrast, people who were older than 13 when they were diagnosed had beta cells that could process insulin normally, and the immune attack on these cells tended to be less aggressive. This finding is important because the two groups may respond differently to different types of immunotherapy. This important discovery will allow scientists to make sure that treatments are designed and tested with the people who are most likely to benefit from them, potentially unlocking different treatments that could stop type 1 in its tracks and perhaps even prevent the condition altogether in future generations.

Ultra-rapid insulins are a key part of JDRF's work to improve the lives of people with type 1 diabetes before the cure is found, as the insulins we have today are an imperfect mimic of the insulin produced in people without type 1 diabetes. In June 2020, JDRF-funded researchers at the University of Utah revealed that they had developed a fast-acting insulin based on the venom of a predatory sea snail, which worked well when tested in rats. If the insulin is found to be safe and effective for use in humans, it could put an end to injecting in advance of meals, and pave the way for even better, more responsive artificial pancreas systems.

2. FY20 Research and treatment advocacy results

JDRF's strategic objective is to work with government, academia and industry to accelerate research in the UK and advocate within healthcare policy to ensure that the outcomes of research are delivered to people with type 1 in the UK.

2.1 Improved Access to Type 1 Treatments

In March 2020, JDRF delivered the global launch of the world's first licensed, downloadable artificial pancreas app for people with type 1 diabetes. The CamAPS FX, from University of Cambridge researcher Professor Roman Hovorka, follows JDRF's long-term funding of his artificial pancreas research. The app will take over much of the management of the condition. This is particularly important at night when many people with type 1 experience potentially dangerous low blood glucose levels. The app will also support increased personalised clinical care, uploading with consent the user's blood glucose levels onto an online platform so that diabetes health care professionals can monitor trends, adjusting treatment accordingly. The app is licensed for use by both adults and children and uniquely can be used by young children aged one and above. Currently the app is being supported by a number of diabetes clinics, with the aim to widen access on the NHS and to expand provision internationally.

In July 2019, two new advances were made in the UK in relation to drug treatments which support the body's management of insulin. Two type 2 diabetes oral medications, Dapagliflozin and Sotagliflozin were approved for use. These medications help to reduce blood glucose levels by stopping the kidneys absorbing glucose into the body by excretion via urine. JDRF supported a clinical trial to establish whether Sotagliflozin worked in type 1 diabetes. We subsequently provided evidence and advice to the National Institute of Health and Care Excellence (NICE) as to the benefits of both Sotagliflozin and Dapagliflozin. Sotagliflozin has been approved for use, although it is yet to be commercially launched in the UK. Dapagliflozin has been approved and launched in England and Wales. It is estimated that up to one third of people with type 1 diabetes in England and Wales may now be eligible for Dapagliflozin.

2.2 Government and Policy Influencing

JDRF consolidated its influence with the Department of Health and Social Care on Brexit in FY20, conveying people with diabetes' ongoing concerns on supply of insulin to the UK. In coordination with pharmaceutical industry and charity partners, JDRF successfully won a pledge in August 2019 from the Department that stated "our priority is for all patients to continue to have access to medicines and medical products when we leave the EU" and that "we are working with all our partners and our plans should ensure the supply of medicines and medical products remains uninterrupted." Along with Kidney Care UK, JDRF raised the issue of the importance of reciprocal healthcare for those travelling with chronic conditions due to the limitations of travel insurance. We are well positioned to exert further influence in FY21 as the UK approaches the end of the Brexit transition period in December 2020.

In February 2020 JDRF launched its Pathway to Choice initiative at the Houses of Parliament. Pathway to Choice is a three year partnership with Abbott Diabetes Care, Dexcom, Insulet and Roche Diabetes Care, to build awareness of and improved access to

2. FY20 Research and treatment advocacy results (continued)

2.2 Government and Policy Influencing (continued)

type 1 technology treatments. JDRF commissioned market research to understand the motivations and barriers that people living with type 1 experience when considering technology treatment options. In this way, JDRF brings the experience of people with type 1 diabetes to directly inform policy decision-making. Over 20 parliamentarians attended the launch, including former Prime Minister Theresa May MP. The report was praised by Diabetes Technology Network clinicians and NHS England's type 1 diabetes clinical lead. A number of the key findings of the report are set to be incorporated in revised clinical advice over the next year.

In response to the disruption of the coronavirus pandemic, the final four months of FY20 saw JDRF collaborate closely with the Association of Medical Research Charities (AMRC) to lobby the UK Government for a Life Sciences Charity Partnership Fund. In May JDRF briefed Peers in the House of Lords ahead of a debate on the fundraising and operational challenges facing the charity sector due to the virus. The briefing focused on the vital role medical research charities play in our country's bioscience sector. Labour's Deputy Leader in the Lords read from JDRF's briefing and was able to secure a meeting for the AMRC with a minister to press the issue further.

3. FY20 Support and Awareness results

Our strategic objective is to give support and a voice to children and adults living with type one and their families

3.1 Services and Support

The pandemic has prioritised JDRF information services partnering with a range of NHS and voluntary sector partners. Going forward into FY21 it is likely organisational cost savings will be made in some services in order to protect JDRF's research funding. This will be done via a process of impact evaluation of priorities and a refocusing on core information activities, moving away from regional information events towards virtual events and digital delivery.

At the start of the pandemic JDRF developed clinically approved information on the effects of COVID-19 on type 1 diabetes and the measures people should take who live with the condition. As more evidence was published by the NHS, it became clearer that people with diabetes faced an increased risk of serious illness and death arising from the coronavirus. JDRF's information has become a key resource tool and support for people with type 1. Between 1 March and the end of June 2020, the www.jdrf.org.uk/coronavirus page received 219,415 visits. Eighty two percent of visits to the information page were new users, previously unknown to JDRF. By comparison over this period JDRF's homepage received 30,585 visits; providing context for the demand and value of this information.

People's experience of type 1 determines the collaborative design and content of JDRF's information resources; this approach to co-production drives the continuing appetite and uptake in our wider set of information resources on managing and living well with type 1 diabetes. In FY20 our combined online information resources, booklets and leaflets were either downloaded or physically sent out 30,082 times, representing a 31% increase on the

3. FY20 Support and Awareness results (continued)

3.1 Services and Support (continued)

FY19 figure for the same range of downloaded and physical distribution information.

As testament to our expertise in type 1 information support, JDRF was invited onto the judging panel of the Quality in Care Awards (QiC), recognising good practice in patient care. QiC is a national, cross sector awards programme, supported by the NHS, charities, industry and patient organisations.

The coronavirus pandemic has required JDRF to reshape event based support services. Between January and June, 10 physical events were repurposed into four virtual events. Over the financial year we had 629 people attend physical events and 794 people attend virtual events. Digital attendance represented a 100% increase over average attendance of physical events, showing the value of virtual events which are not limited by geographical location. All JDRF's information events secured over 90% positive feedback.

The merger of JDRF and type 1 technology access charity INPUT has grown our information resources and personal advice to people with type 1. The integrated knowledge created by the merger was pivotal in developing policy recommendations in the Pathway to Choice report, rooted in the experience of people living with type 1. An improved customer response system has been implemented and the JDRF Community Engagement team have been trained in answering technology based queries. In July 2019, JDRF INPUT held its inaugural Fusion information event with 115 delegates and NHS England's National Speciality Advisor on Diabetes, Professor Partha Kar.

3.2 Raising Awareness

In April 2020, the former UK Prime Minister Theresa May, who was diagnosed with type 1 diabetes in 2013 became an ambassador for JDRF with the aim of championing the charity's research programme. She has been a supporter of JDRF for the last seven years and upon becoming an ambassador she has been guest speaker at JDRF's online event to raise awareness of our Connect Immune Research partnership.

In FY20 we maintained our levels of unique visitors to our website, for the second time in a row achieving a figure of more than one million visits. During the year we continued our online campaign reaching out to people living with type 1 across the UK, building on the 3,000 opt-ins for receiving marketing communications that we secured in FY19, with a further 2,000 opt-ins in FY20. These new supporters will be provided with information about type 1 diabetes, research advances and emerging new treatments. They will be given opportunities to fundraise and raise the profile of JDRF as part of their engagement journey.

Our Instagram audience saw a 136% increase in FY20, up from 5,644 to 13,318. Audience growth on our Twitter account was 29%, taking us from 15,578 up to 20,095 followers. A 5.8% growth in our more mature Facebook audience took us from 38,240 up to 40,449. Our engagement on social media was boosted by our organisational response to the Covid-19 pandemic which saw us stage a greater number of virtual events. Our continually expanding range of celebrity and social media influencer supporters, who endorse JDRF by promoting our work to broader communities, helped drive our audience reach.

Looking Forward - A new strategy and approach

The effects of the COVID 19 pandemic will have an impact on JDRF's work in the short, medium and long term. There are challenges to funding and the working practice of medical research, along with policy priorities in healthcare to treat those affected by COVID19.

JDRF's culture of agility and collaboration will aid us in such a changing landscape. We will not shy away from hard choices about how we deliver our operations, always being guided by the priorities of our beneficiaries, people living with type 1.

FY21 marks the start of our new three year strategy with the following goals:

- Drive UK research to develop cures and improve lives for people with type 1 diabetes
- Accelerate access to type 1 treatments and technologies
- Deliver information and support to people living with type 1

We will adapt how we work to deliver on these goals, prioritising where we can achieve the greatest impact within resource constraints.

We will work to deepen the ways that the needs and priorities of people with type 1 inform research process and regulatory design.

We will influence national decision making bodies to accelerate the review and approval of new type 1 diabetes medicines and technologies.

We will provide trusted information on type 1 diabetes and seek to connect people with the condition through engagement with JDRF.

In FY21 we will restructure our staff team to consolidate resources on those activities which for our mission will deliver the greatest impact and in income terms will yield the greatest return on investment.

We will mitigate against financial risk by tailoring operational costs and reprioritising core research and advocacy.

We will build on our use of digital tools and engagement to provide connection, community and sources of trusted information to people with type 1.

We will further embed a culture of data-driven impact and evaluation to increase our accountability to our beneficiaries and supporters.

We will establish new working practices to further recognise the value of diversity and inclusion. We will work to widen research participation, staff and volunteer recruitment opportunities among those groups of people who are traditionally less represented in the charity and research sector.

While the pandemic will challenge our ability to raise income and operate within traditional working practices, we are certain at JDRF we have the skills and focus to drive forward our mission, delivering those breakthroughs to help eradicate type 1 diabetes and its effects.

FY20 FINANCIAL REVIEW

Summary

FY20 had been expected to be a year of significant recovery for JDRF, with income (immediately pre-pandemic) expected to grow by 15% on the previous year. However this recovery was curtailed by the lockdown from March 2020, with the loss of a significant amount of fundraised income from events between March and June. In total over £1.5 million of FY20 forecast income was not received due to the lockdown. Emergency appeals between April and June brought in replacement income of c. £0.6m. JDRF stopped all non-essential costs from the end of February, and altogether anticipated costs of £0.4m were saved in the last four months of the financial year.

The combination of the replacement income and the cost savings meant that JDRF was able to end the year in reasonable financial health under the much altered circumstances. The final result was a small growth in total income on the previous year, and a total overall surplus of £145,000. With a restricted surplus of £280,000, we ended the year with an unrestricted deficit of £130,000, causing free reserves to fall to £0.9m. However, with the following year's unrestricted expenditure also expected to be reduced, £0.9m of free reserves as at 30 June 2020 was just above the board's expected range of 9 - 11 weeks of future unrestricted expenditure.

As in previous years, JDRF's ability to respond swiftly to changing circumstances has enabled us to remain in a position of relative financial strength, whilst retaining a primary focus on our mission of funding type 1 research and ensuring that its benefits reach as many people with type 1 as quickly as possible. In FY20 JDRF funded more research than in any previous year, both in absolute terms and as a proportion of income, growing research spend by 5% on the previous year.

Income generation

Income of £6 million was slightly above that of the previous year (FY19 – £5.9m). This included the second year of the Steve Morgan Foundation's three year commitment of £1m per year, plus a further £200,000 from them in support of our wider mission and as a result of the income lost due to the pandemic. JDRF is very grateful for the generous support of the Steve Morgan Foundation in assisting us to achieve our mission to find a cure for type 1.

Expenditure - research and other charitable activities

The amount spent on research funding and advocacy grew to £2.63 million (FY19 – £2.51m). UK and global research achievements during the year are described on pages 5 to 7. Despite challenging circumstances JDRF has increased spending on research and advocacy proportionately more than the growth in income for each of the last 4 years in a row.

JDRF's support and awareness costs also grew slightly to just over £1m (FY19 – £1m). Details of the activities and achievements of our work in these areas are described on pages 9 to 10.

FY20 FINANCIAL REVIEW (continued)

Expenditure – costs of raising funds

In FY20 JDRF reduced the cost of raising funds by £335,000 to under £2.25 million, despite achieving higher income. On our internal metrics this represents a fundraising return on investment of 3.4 to 1. This is the highest return ever achieved, and testimony to the speed of our reaction to the sudden arrival of the pandemic, and to the effectiveness of our

response to it. This was due to close liaison and interaction between the various fundraising teams participating in virtual activity post lockdown, and JDRF's small but valiant marketing team.

JDRF Trading Limited

These accounts consolidate the income, costs, assets and liabilities of JDRF Trading Limited with those of JDRF. This small wholly owned trading subsidiary enables JDRF to take advantage of opportunities to develop revenue from the corporate sector through sponsorship of certain events and activities benefiting people with type 1. The company produces separate accounts which can be obtained from JDRF's Director of Finance and Resources and are summarised in note 11 to these accounts. Following significant growth the previous year, the trading company's income grew again this year to £208,000 (FY19: £167,000), and operating profit for the year (gift aided in full to JDRF) also increased to £157,000 (FY19: £114,000).

Balance sheet for the charitable group

The value of fixed assets grew significantly during the year from a low base as a result of the carefully managed investment made during the year in updating and improving central organisational IT infrastructure. Cash and short term deposits at 30 June 2020 totalled £1.16 million (FY19: £1.44m). Cash is held in instant access and short term deposit accounts that allow the best rate of interest at the level of risk deemed acceptable, and at levels that is consistent with our reserves policy.

Debtors at the year end were £411,000 (FY19: £598,000), of which £142,000 related to accrued income (FY19: £339,000). Of the total year end debtors figure, 98% had been received by November, and the outstanding balance is not considered at risk. Creditors were £310,000 (FY19: £866,000), returning these to more usual levels. These were considerably higher than usual last year due to the approval of research grants during the year that were paid after the year end.

Funds

Restricted funds grew during FY20 from £117,000 to £395,000. This was due to funds being donated during the year for medical research that we were not able to pay to relevant projects before the year end.

Unrestricted funds reduced from £1.1 million to £1m, as a result of the net loss of income due to the pandemic. Total funds held at the year end increased from £1.2 million to £1.3 million because of the growth in restricted funds. The impact of these changes on JDRF's reserves position is discussed under the relevant reserves policy paragraph below.

FY20 FINANCIAL REVIEW (continued)

JDRF finances FY21 and beyond

The UK lockdown occurred in the middle of JDRF's budgeting process for the year July 2020 to June 2021. Given the impact of the pandemic on event based fundraising, a revised budget was prepared in May. This dealt with the significant uncertainty about fundraising outcomes in the coming year by proposing three income scenarios against a fixed level of cost. In addition to saving costs by use of the government's coronavirus job retention scheme over the summer, JDRF implemented a recruitment freeze in March, and has reviewed our future operations in order to ensure that staffing remains appropriate for our likely activities in the coming financial year. Very sadly it was necessary to make a small number of staff redundant at the end of August as a consequence of the reduced income and our changing plans for the future.

We are continually reviewing ways of replacing income lost due to the pandemic, including making appeals to a range of emergency Covid 19 funds, and moving resources to new opportunities as these emerge. Senior staff and nominated directors are monitoring income and cashflow against expectations on a monthly basis. As the year develops progress against the scenarios, and greater clarity about the nature of the external environment as it affects fundraising, will facilitate decision making about further responses to our position and prospects. We will be continuing to model financial scenarios for the next three financial years to ensure an appropriate recovery from the challenges of FY20 and FY21.

In late October 2020 it was confirmed that JDRF had been successful in a substantial bid to the Steve Morgan Foundation for emergency Covid 19 support co-funded by the Department for Digital, Culture, Media and Sport (DCMS). The half of the grant funded by DCMS will be spent by 31 March 2021, and the half from SMF will be spent between April 2021 and March 2023. The funds will allow us to better support people with type 1 through digital provision of information, through enhanced activity in respect of access to new treatments for type 1, and by supporting JDRF through a downturn in its income caused by the cancellation of in person fundraising events. The receipt of the funds will significantly reduce the risk previously existing in relation to JDRF's finances in FY21 and beyond.

GOVERNANCE INFORMATION

Public benefit and grant making policy

The Directors have taken account of the Charity Commission's guidance on public benefit in reviewing JDRF UK's aims and objectives and in 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 provides details of the UK grant payments due on a monthly basis and JDRF UK pays those funded by restricted grants and donations and as much of the other grants as available funds and our reserves policies allow.

Activity in Scotland

JDRF has a presence in Aberdeen and Edinburgh, supported by a very active and capable volunteer group. We are well supported by the public across Scotland which raises funds on JDRF's behalf. Our fundraising activities in Scotland delivered £475,000 income during the year. In line with its goal of funding the best research wherever it is taking place in the world JDRF funds type 1 diabetes research in Scotland and during FY20 funded projects at the Universities of Edinburgh and Dundee.

GOVERNANCE INFORMATION (continued)

JDRF fundraising statement

All our work driving the search for cure, treatment and prevention of type 1 diabetes, and all the work we do to help and support people affected by type 1 diabetes, is made possible by fundraising. We receive no government or statutory funding. Fundraising is vital for our work, and we are passionate about building strong, long lasting relationships with our supporters through considerate, ethical fundraising and supporter care.

We use a range of recognised methods to raise funds. This includes working with trusts and foundations, philanthropists, businesses, schools and clubs, and individuals who take part in our fundraising events, run fundraising events of their own, respond to our appeals or donate directly to us. Our fundraising team leads on this work, with almost all of the fundraising activity being managed in house. It is supported from time to time by a professional telephone fundraising agency which has a single staff member who contacts a small group of our supporters on our behalf.

Fundraising on our behalf

When we do appoint a fundraising agency we ensure their work on our behalf is both effective and aligned with our values and responsibilities. The agency that we use is a corporate member of the Institute of Fundraising, registered as a commercial supplier with the Fundraising Regulator, and complies with the codes of practice of both organisations. In line with recommendations from the Fundraising Regulator we train agency fundraisers according to our standards and expectations and we conduct regular call monitoring.

Our Supporter Promise

We recently updated our supporter promise to make sure that everyone who comes into contact with us is respected and valued, and to let them know that their data is safe and secure with us. Our supporter promise can be found at <https://jdrf.org.uk/get-involved/give/donation-v2/our-supporter-promise>. To date we have received three suppression requests from the Fundraising Preference Service. All three requests were resolved in line with Fundraising Preference Service rules and our own internal procedures.

Further fundraising regulation

We are registered with the Fundraising Regulator and adhere to its code of Fundraising Practice. JDRF is a member of the Institute of Fundraising. We are committed to best practice in fundraising and to complying with all statutory regulations, including the Charities Act 2016, the General Data Protection Regulation, the Privacy and Electronic Communications Regulations 2003 and the Mailing and Telephone Preference Services.

Complaints

During FY20, we received eleven complaints about our fundraising activities, none of which were related to intrusion of privacy, unreasonable persistence or pressure to give. All complaints were resolved satisfactorily, with none being referred to external regulatory bodies.

GOVERNANCE INFORMATION (continued)

Protecting Vulnerable Supporters

Our supporters are at the heart of everything we do, and we understand that protecting those that may be in vulnerable positions is crucial for safe and effective fundraising. Our external fundraisers receive training in recognising and dealing with vulnerable people. We take steps to ensure our telemarketing campaigns avoid unreasonable intrusion on our supporters' privacy, including not making telemarketing calls during unsociable hours and limiting the number of times we call unanswered numbers. We limit the number of times we make financial requests for support in a single call in order to avoid applying undue pressure. We monitor and limit the number of mail, email and telephone communications we send to supporters asking for their financial support, ensuring requests are not unreasonably persistent.

Financial policies and activities

Reserves policy

The Board is committed to ensuring a sound financial base for JDRF's work and activities. The Board has adopted a reserves policy which is designed to assist with managing 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 reviews its reserves policy with reference to Charity Commission guidelines every two years. The policy incorporates forecasts and scenario analysis, using as a starting point the lowest point in cash balances reached in the last few financial years, and takes into account the risk of income falling by 25% compared to the lowest income receipts over three months in the last three years. On this basis 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 unrestricted expenditure budgeted for the following year. Based on the FY21 budget this gave an end of year free reserves target for FY20 of between £0.7m and £0.85m. Free reserves (unrestricted funds minus fixed assets) at the year end were £0.87m and therefore just above the Board's target range for the year. However given the significant financial uncertainties faced in FY21 free reserves of this amount are by no means generous, and the Board will be monitoring free reserves and unrestricted cash totals very carefully throughout the year. Commentary on the intra year cash flow element of the reserves policy is given in the paragraph on cash flow in the risk management and mitigation section below. The reserves policy is due for its two yearly review in FY21.

Risk management and mitigation

The Board monitors the principal business and control risks to JDRF. The risk assessment register is reviewed bi-annually by senior management and updated accordingly. Following a review during 2020 the format and contents of the register have been amended. Severity and likelihood definitions have been clarified, and the treatment of risk outcome scores identified on a risk heatmap. Pre and post mitigation scorings have been added to add dynamism and more clarity. Strategies and timelines have been agreed for the management and limitation of identified risks, the most important and most likely of which have been reviewed by the Audit and Risk Committee and the Board.

Key issues for JDRF include the higher risk than in previous years of potential reliance on a small number of key donors, and the impact of reduced funding in future from this group.

Financial policies and activities (continued)

Risk management and mitigation (continued)

While maintaining good relationships with these trusts and individuals, we naturally need to continue to diversify our range of funding both during and after the current pandemic. Loss of several key staff over a short timescale would be impactful at an organisation the size of and as tightly resourced as JDRF. A number of mitigating factors are employed in this respect, including adherence to good communication, documentation and line management processes, and appropriate recognition and reward for staff. Loss of funds due to the pandemic to JDRFI in the US, and reduced funds available to support research in the UK, could lead to a loss of profile and influence for JDRF UK in the UK type 1 research community. We remain in close contact with colleagues in the US research department, and with researchers in the field of type 1 in the UK to minimise this risk and maintain good relationships with all parties.

Other probable risks include JDRF staff testing positive for Covid 19 after meeting colleagues or supporters and the risk of the virus being passed to them, which could be reputationally challenging and lead to a delay in certain activities if staff have to self isolate or fall sick. We continue to deal with the consequences of the loss of EU funding for research in the UK, and to navigate the new funding sources for the life sciences sector made available in the UK from the government. Reduced funding for the life sciences may limit the opportunity to attract researchers into targeted and effective research into treatments and cures for type 1 diabetes. As noted in the financial review section, the very recent notification and receipt of emergency government support removes financial risks that would have otherwise been the case for JDRF during FY21 and beyond.

Financial controls review

During FY20 the Audit and Risk Committee and the Board reviewed the updated summary of JDRF's internal financial controls and fraud risks, using the template of the Charity Commission's CC8 guidelines on Internal Finance 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 objects and powers of the company are set out in, and governed by, its articles of association. New articles of association were adopted in 2017, reflecting up to date law and practice.

JDRF is governed by a Board of Directors, the members of which 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 charity's strategic plan and the day to day running of JDRF.

The Board of Directors has established Committees that report and are accountable to the Board: the Succession and Development Committee and the Audit and Risk Committee, to assist in the efficient execution of its responsibilities and duties. In the course of the year as part of a review of governance structures the Board decided to discontinue the Executive Committee, which had a limited membership. In its place all Directors are invited to attend shorter more informal progress meetings between the quarterly Board business meetings at which there is the opportunity to hear updates on current issues or have fuller discussions of wider matters of interest. Attendance by Directors at the new progress meetings has been high.

The Succession and Development Committee (made up of at least three current or former Directors, and an independent recruitment expert) meets as needed and is responsible for identifying and recruiting new Directors and ensuring retention and development of senior level volunteers. The Committee began a recruitment procedure for at least two new Board Directors, including an early replacement for the Treasurer who retires at the end of 2021, towards the end of the financial year. The purpose of the early appointment of a Treasurer elect is to allow for effective shadowing and handover from the current incumbent.

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, at least one other Director and an appropriately qualified/experienced external expert, is attended by the Director of Finance and Resources and Head of Finance and meets two or three times a year. The Committee has led on the refreshed approach to risk management that has been implemented during the year.

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 and Development 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.

Directors are appointed by the Board and serve an initial term of three years but may be reappointed for a further term of three years.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Induction of new Directors

Prior to appointment, potential Directors meet our Chief Executive, Chairman, and representatives from the Succession and Development Committee to discuss the work of a Board Director in depth and the expectations and responsibilities of the role. They are given an overview of organisational history, current activities and strategy. Following their appointment to the Board, new Directors have a series of induction meetings with members of our senior management team and are given key documents including JDRF's articles of association, its most recent annual report and accounts and a range of other documents and publications.

Training of Directors

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

Remuneration of key management personnel

The executive team consists of the Chief Executive and four Director of Department roles: Research Partnerships, Policy and Communications, Fundraising and Finance and Resources, as detailed in the reference section on page 22.

JDRF is committed to being open about the work that we do to achieve our mission. JDRF's approach to pay and reward is that this should contribute to enabling us to recruit and retain the skilled staff we need to create a world without type 1 diabetes. We believe that it is reasonable for the charity sector to pay a fair salary for the skills and the experience needed to run a professional, cost-effective and successful charity. All JDRF staff, including the senior management team, are normally eligible for an annual cost of living pay award, and a progression pay scheme that rewards staff who make a significant contribution to JDRF. The amount paid to senior staff reflects the market for jobs in comparable organisations, the performance of the organisation and the skills and contribution of the individual performing the role. Benefits for all staff include a matched pension contribution of 4% of salary, which increases with service as detailed on page 35. Salaries of JDRF's senior staff are reviewed biennially against the market by a specialist pay and reward consultancy and are set by the Board's Executive Committee. However due to the much changed external environment and significant challenges with income generation, there was no annual staff award in FY20, and external benchmarking of remuneration has also been put on hold for the time being.

Volunteers

Volunteers play a vital role at JDRF. During the year 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 in FY20 over 600 individuals volunteered to support JDRF, and we are extremely grateful to all of these dedicated supporters.

Directors' report

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 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ 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 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 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 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 company's auditor is unaware; and
- ◆ the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the 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.

Directors' report

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up. The total number of guarantees at 30 June 2020 was 7. The Directors have no beneficial interest in the company but as members are entitled to voting rights.

AUDITORS

Buzzacott was reappointed auditors by the Board for the year ended 30 June 2021 and has expressed its willingness to act in that capacity.

Approved by the Directors on 7 December 2020 and signed on their behalf by

David McTurk
Chairman

Reference and administrative details

President	Her Royal Highness The Duchess of Cornwall
Directors	<p>The Directors, who are also trustees under charity law, who served during the year up to the date of this report were as follows:</p> <p>Phil Aird-Mash Barrie Brien Dominic Christian (retired 31 December 2019) Christina Croft Karen Loumansky James Lurie David McTurk (Chairman) Eleanor Mills (retired 31 December 2019) Ian Schneider (Treasurer)</p>
Company Secretary	Jonathan Taylor
Executive management team	
Chief Executive	Karen Addington
Director of Fundraising	James Elliott
Director of Research Partnerships	Rachel Connor
Director of Policy and Communications	Hilary Nathan
Director of Finance and Resources	Jonathan Taylor
Registered office	17/18 Angel Gate City Road London EC1V 2PT
Telephone	<p>T: 020 7713 2030 F: 020 7713 2031 E: info@jdrf.org.uk</p>
Website	www.jdrf.org.uk
Social media	<p>@JDRFUK/https://twitter.com/jdrfuk @JDRFUK/https://www.facebook.com/JDRFUK/JDRFUK JDRFUK/https://www.linkedin.com/company/jdrf-UK JDRFUK/https://www.instagram.com/jdrfuk/</p>
Company registration number	02071638 (England and Wales)

Reference and administrative details

Charity registration number	295716 (England and Wales) SC040123 (Scotland)
Regional Offices	<p>JDRF Scotland: Aberdeen Office T: Aberdeen: 01224 248 677 E: scotland@jdrf.org.uk</p> <p>JDRF North: Leeds Office T: 0113 4576 425 E: north@jdrf.org.uk</p> <p>JDRF Midlands, West and Wales: Birmingham Office T: 0121 685 7102 E: midlands@jdrf.org.uk E: southwest@jdrf.org.uk E: wales@jdrf.org.uk</p> <p>JDRF South, East and London: London Office T: 0207 713 2030 E: info@jdrf.org.uk</p> <p>JDRF South, East and London: Southampton Office T: 023 8061 6622 E: south@jdrf.org.uk</p>
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc Marble Arch Corporate Banking Group PO Box 32016 London NW1 2ZH

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

Opinion

We have audited the financial statements of Juvenile Diabetes Research Foundation Limited ('the charitable parent company') and its subsidiary (the 'group') for the year ended 30 June 2020 which comprise the consolidated statement of financial activities, group and charitable parent company balance sheets and consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 30 June 2020 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, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as 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 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

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the directors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 (as amended) requires us to report to you if, in our opinion:

- ◆ proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or

Matters on which we are required to report by exception (continued)

- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the directors' responsibilities statement, the trustees 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 group's and the charitable parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity'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 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.

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

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities Year to 30 June 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income and expenditure							
Income							
Donations and legacies	1	2,506,246	531,421	3,037,666	2,341,314	233,834	2,575,148
Other trading activities	2	1,821,321	—	1,821,321	2,152,064	—	2,152,064
Interest receivable		5,135	—	5,135	6,456	—	6,456
Charitable activities	3						
. Research grants		—	1,100,500	1,100,500	—	1,148,025	1,148,025
. Support and awareness		—	80,131	80,131	—	16,250	16,250
Total income		4,332,702	1,712,052	6,044,754	4,499,834	1,398,109	5,897,943
Expenditure							
Cost of raising funds		2,243,583	—	2,243,583	2,579,438	—	2,579,438
Charitable activities							
. Research funding		881,409	1,348,219	2,229,629	656,773	1,465,271	2,122,044
. Research advocacy		400,547	—	400,547	367,991	25,000	392,991
Subtotal research expenditure		1,281,956	1,348,219	2,630,176	1,024,764	1,490,271	2,515,035
. Support and awareness		939,770	85,963	1,025,733	897,313	103,696	1,001,009
Subtotal charitable activities		2,221,727	1,434,183	3,655,909	1,922,077	1,593,967	3,516,044
Total expenditure	4	4,465,310	1,434,182	5,899,492	4,501,515	1,593,967	6,095,482
Net (expenditure) income and net movement in funds	6	(132,608)	277,870	145,262	(1,681)	(195,858)	(197,539)
Reconciliation of funds							
Total funds brought forward at 1 July 2019		1,117,930	117,286	1,235,216	1,119,611	313,144	1,432,755
Total funds carried forward at 30 June 2020	16	985,322	395,156	1,380,478	1,117,930	117,286	1,235,216

All of the above results are derived from continuing activities.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheets 30 June 2020

		Group		Charity	
	Notes	2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	9	115,891	67,322	115,891	67,322
Investments	10	—	—	10,001	10,001
		115,891	67,322	125,892	77,323
Current assets					
Debtors	13	410,551	597,731	443,475	624,551
Cash at bank and in hand		1,164,023	1,436,547	998,431	1,301,995
		1,574,573	2,034,278	1,441,906	1,926,546
Liabilities					
Creditors: amounts falling due within one year	14	309,986	866,384	187,319	768,653
Net current assets		1,264,587	1,167,894	1,254,586	1,157,893
Total net assets	15	1,380,478	1,235,216	1,380,478	1,235,216
The funds of the charity:					
Funds and reserves	16				
Restricted funds		395,156	117,286	395,156	117,286
Unrestricted funds					
. General funds		985,322	1,117,930	985,322	1,117,930
		1,380,478	1,235,216	1,380,478	1,235,216

Approved by the directors on 7 December 2020 and signed on their behalf by:

David McTurk
Chairman

Ian Schneider
Treasurer

Company Registration Number: 02071638 (England and Wales)

Consolidated statement of cash flows 30 June 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(197,480)	202,747
Cash flows from investing activities:			
Interest received		5,135	6,456
Purchase of tangible fixed assets		(80,180)	(8,881)
Net cash used in investing activities		(75,045)	(2,425)
Change in cash and cash equivalents in the year		(272,524)	200,322
Cash and cash equivalents at 1 July 2019	B	1,436,547	1,236,225
Cash and cash equivalents at 30 June 2020	B	1,164,023	1,436,547

Notes to the statement of cash flows for the year to 30 June 2020.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	145,261	(197,539)
Adjustments for:		
Depreciation charge	31,612	20,998
Interest receivable	(5,135)	(6,456)
Decrease (increase) in debtors	187,181	(173,991)
(Decrease) increase in creditors	(556,398)	559,735
Net cash (used in) provided by operating activities	(197,480)	202,747

B Analysis of changes in net debt

	At 1 July 2019 £	Movement in year £	At 30 June 2020 £
Cash at bank and in hand	1,436,547	(272,524)	1,164,023
Total cash and cash equivalents	1,436,547	(272,524)	1,164,023

Principal accounting policies 30 June 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 30 June 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Basis of Consolidation

The statement of financial activities and balance sheet consolidate the assets, liabilities, income and expenditure of the charity and its wholly owned subsidiary undertaking, JDRF Trading Limited. The results of the subsidiary undertaking are consolidated on a line-by-line basis.

No separate statement of financial activities has been prepared for the charity above as permitted by Section 408 of the Companies Act 2006.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ assessing the probability of receipt of legacy income;
- ◆ allocation of support and governance costs;
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation rate; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. In making this assessment, the trustees have considered the impact of the coronavirus outbreak on the group and charity, including the availability of future funding from grants and donations and the ability to continue to fund charitable activities through available reserves. As noted on page 14 the receipt in November and January of emergency funds from DCMS via the Steve Morgan Foundation significantly removes financial risk from JDRF until at least December 2021. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income received by way of subscriptions, donations and gifts to the charity is included in full in the statement of financial activities when receivable. Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefits on the open market.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income recognition (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Expenditure is allocated to a particular activity where the cost relates directly to that activity. Expenditure includes 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% research advocacy and 20% support and awareness.

Resources expended (continued)

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 raising 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. Provision is made for grants agreed and approved but unpaid at the period end.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000 including irrecoverable VAT.

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:

- ♦ Leasehold improvements Over the lifetime of the lease
- ♦ Computer equipment 5 years
- ♦ Fixtures and fittings 5 years

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 and are stated at cost.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

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

JDRF 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 4% after 3 months, 5% after 2 years and 7% after 4 years of service. Using a 'Salary Sacrifice Scheme', employees may additionally sacrifice further amounts of their 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.

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.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – Other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – Classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

1 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Donations	1,934,819	531,421	2,466,239	1,439,622	233,834	1,673,456
Legacies	67,608	—	67,608	134,580	—	134,580
Third party fundraising	503,819	—	503,819	767,112	—	767,112
Total	2,506,246	531,421	3,037,666	2,341,314	233,834	2,575,148

2 Income from trading activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
One Walk	109,004	—	109,004	130,184	—	130,184
Running and challenge events	589,241	—	589,241	1,057,532	—	1,057,532
Corporate sponsorship, advertising and merchandise	234,196	—	234,196	194,274	—	194,274
Events and other fundraising activities	776,449	—	776,449	731,574	—	731,574
Rental/other income	112,431	—	112,431	38,500	—	38,500
Total	1,821,321	—	1,821,321	2,152,064	—	2,152,064

3 Income from charitable activities

	2020 Total Restricted £	2019 Total Restricted £
Research grants		
The Steve Morgan Foundation	1,000,000	1,000,000
The Alan & Babette Sainsbury Charitable Fund	24,000	24,000
The Cadogan Charity	50,000	—
The Mason Le Page Charitable Trust	5,000	—
The Charles Wolfson Charitable Trust	—	88,097
Diabetes Ireland Research Alliance	—	4,428
The Henry Lumley Charitable Trust	5,000	5,000
The Bernard Sunley Foundation	—	10,000
AMW Charitable Trust	—	5,000
The Martin Laing Foundation	—	5,000
Contributions £5,000 or less	16,500	6,500
	1,100,500	1,148,025
Support and awareness		
Garfield Weston Foundation	75,000	—
The Edward Gostling Foundation	—	5,000
XL Caitlin	—	8,250
Contributions £5,000 or less	5,131	3,000
	80,131	16,250
Total	1,180,631	1,164,275

Notes to the financial statements 30 June 2020

4 Total expenditure

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Costs of raising funds	2,243,583	—	2,243,583	2,579,438	—	2,579,438
Charitable activities						
. Research funding	881,409	1,348,219	2,229,629	656,773	1,465,271	2,122,044
. Research advocacy	400,547	—	400,547	367,991	25,000	392,991
. Support and awareness	939,770	85,963	1,025,733	897,313	103,696	1,001,009
Total	4,465,310	1,434,182	5,899,492	4,501,515	1,593,967	6,095,482

	Note	Cost of raising funds £	Research funding £	Research advocacy £	Support and awareness £	Governance costs £	Support costs £	2020 Total £
Staff costs	7	1,049,290	245,434	230,629	479,048	114,315	302,920	2,421,635
Other staffing costs		24,653	3,018	9,488	46,461	1,613	34,430	119,663
Office costs		85,908	9,696	13,532	29,083	1,302	24,621	164,142
Rent and premises		138,598	20,386	18,110	45,615	3,219	46,137	272,065
Depreciation		—	—	—	—	—	31,612	31,612
Information technology costs		30,293	5,699	4,499	10,498	900	12,897	64,785
Direct fundraising costs								
. Donations and appeals		180,921	—	—	—	—	—	180,921
. Third party fundraising		1,366	—	—	—	—	—	1,366
. One Walk		31,312	—	—	—	—	—	31,312
. Running and challenge events		138,135	—	—	—	—	—	138,135
. Trading activities		6,755	—	—	—	—	—	6,755
. Events and other fundraising activities		244,551	—	—	—	—	—	244,551
Subtotal direct fundraising costs		603,039	—	—	—	—	—	603,039
Audit fees		—	—	—	—	11,712	—	11,712
Governance		—	—	—	—	5,974	—	5,974
Advocacy		—	3,930	57,306	—	—	—	61,236
Support and awareness		—	—	—	273,638	—	—	273,638
Research grants – unrestricted	5	—	521,772	—	—	—	—	521,772
Research grants – restricted	5	—	1,348,219	—	—	—	—	1,348,219
		1,931,781	2,158,154	333,562	884,343	139,036	452,616	5,899,492
Support costs		238,530	54,679	51,243	108,164	—	(452,616)	—
Governance costs		73,272	16,796	15,741	33,226	(139,036)	—	—
Total expenditure 2020		2,243,583	2,229,629	400,547	1,025,733	—	—	5,899,492

Notes to the financial statements 30 June 2020

4 Total expenditure (continued)

	Note	Cost of raising funds £	Research funding £	Research advocacy £	Support and awareness £	Governance costs £	Support costs £	2019 Total £
Staff costs	7	1,094,808	250,966	235,198	496,454	134,655	278,226	2,490,307
Other staffing costs		63,515	1,342	11,826	6,917	712	38,124	122,436
Office costs		112,003	14,972	16,528	39,472	1,330	33,046	217,351
Rent and premises		117,910	23,274	21,373	51,549	2,909	49,458	266,473
Depreciation		—	—	—	—	—	20,998	20,998
Information technology costs		23,154	6,106	5,089	11,450	763	12,976	59,538
Direct fundraising costs								
. Donations and appeals		244,331	—	—	—	—	—	244,331
. Third party fundraising		10,209	—	—	—	—	—	10,209
. One Walk		37,391	—	—	—	—	—	37,391
. Running and challenge events		248,121	—	—	—	—	—	248,121
. Trading activities		10,442	—	—	—	—	—	10,442
. Events and other fundraising activities		306,568	—	—	—	—	—	306,568
Subtotal direct fundraising costs		857,062	—	—	—	—	—	857,062
Audit fees		—	—	—	—	10,192	—	10,192
Governance		—	—	—	—	6,713	—	6,713
Advocacy		—	4,264	36,169	—	—	—	40,433
Support and awareness		—	—	—	254,147	—	—	254,147
Research grants – unrestricted	5	—	284,561	—	—	—	—	284,561
Research grants – restricted	5	—	1,465,271	—	—	—	—	1,465,271
		2,268,452	2,050,756	326,183	859,989	157,274	432,828	6,095,482
Support costs		228,102	52,288	49,003	103,435	—	(432,828)	—
Governance costs		82,884	19,000	17,805	37,585	(157,274)	—	—
Total expenditure 2019		2,579,438	2,122,044	392,991	1,001,009	—	—	6,095,482

Notes to the financial statements 30 June 2020

5 Research grants

	Principal investigator	2020			2019		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
University of Exeter Defining the decline in endogenous insulin secretion in Type 1 diabetes diagnosed after 30 years of age	Angus Jones	17,259	46,924	64,183	—	—	—
Cardiff University Microneedle arrays to deliver antigen specific immunotherapy	Colin Dayan	—	2,000	2,000	—	—	—
Cardiff University Clinical Trials in the Type 1 Diabetes UK Immunotherapy Consortium: Bigger, Smarter, Faster	Colin Dayan	2,000	85,620	87,620	—	—	—
Cardiff University The beta-2 score and beyond: new composite outcomes measures of islet cell function for use in clinical trials	Colin Dayan	421,536	—	421,536	—	—	—
Medical Research Council (MRC) PEG-Based Hydrogels for iPSCs-Derived Regenerative Therapies for Diabetes (PI: Rocio Sancho)	Dania Grant	13,906	—	13,906	—	—	—
University of Cambridge Tracking of risk for diabetic nephropathy and cardiovascular disease in young people with type 1 diabetes recruited to the AdDIT study	David Dunger	—	34,676	34,676	—	—	—
Queen's University Belfast Novel Insights on the Link between Diabetic Retinopathy and the Splenic Clock	Eleni Beli	10,416	65,579	75,995	—	—	—
The University of Edinburgh Using Deep Learning on Retinal Images to Predict Complications and Therapeutic responses in Type 1 Diabetes	Helen Colhoun	75,000	—	75,000	—	—	—
University of Bristol UK TrialNet Clinical Center	Yuk-Fun Liu	10,417	48,365	58,782	—	—	—
University of Bristol How do Slow Progressors to type 1 diabetes regulate their autoimmune response ?	Kathleen Gillespie	—	46,915	46,915	—	—	—
King's College London ACC study extension: Treg function and C-peptide change	Mark Peakman	5,000	6,926	11,926	—	—	—
University of Exeter Improved, cost effective prediction of type 1 diabetes in early life using combined prediction models	Richard Oram	54,864	—	54,864	—	—	—
King's College London Exploring the translational potential of the NPY Y4 receptor for treating Type 1 Diabetes	Gavin Bewick	134,943	(244)	134,699	—	—	—
King's College London A Hypoglycemia Awareness Restoration Program for people with type 1 diabetes and problematic hypoglycemia persisting	Stephanie Amiel	—	20,872	20,872	—	—	—
King's College London Harmonizing biomarkers in clinical trials of ustekinumab	Timothy Tree	146,344	9,170	155,514	—	—	—
University of Exeter Modulation of brain fatty acid oxidation to improve hypoglycemia counterregulation	Paul W Potter	—	3,750	3,750	—	—	—
Queen Mary, University of London Oxidative post-translationally modified insulin as neoepitope in type 1 diabetes: staging, pathogenesis and therapeutic utility	Ahuva Nissim	35,327	—	35,327	34,623	—	34,623
University of Oxford Human Islets For Basic Research- Oxford JDRF Human Islet Resource Centre	Paul Johnson	34,929	—	34,929	87,320	—	87,230
University of Bristol JDRF International Clinical Sites - UK (Trialnet)	Polly Bingley	95,842	—	95,842	148,283	—	148,283
King's College London Using neuroimaging to understand the role of cognitions in restoring hypoglycemia awareness in adults with type 1 diabetes and impaired awareness of hypoglycemia	Pratik Choudhary	81,610	—	81,610	204,050	—	204,050
Queen's University Belfast Harnessing vascular stem cells to model and treat diabetic retinopathy	Reinhold Medina	33,498	21,509	55,008	59,239	—	59,239
University of Dundee Restoring hypoglycemia awareness through dishabitation	Rory McCrimmon	40,212	—	40,212	54,437	—	54,437
University of Oxford Role of the autoantigen tetraspanin-7 in type 1 diabetes	Kerry McLaughlin	1,753	11,003	12,756	—	15,000	15,000
University of Exeter and Hebrew University of Jerusalem Beta cell turnover in patients with long-standing type 1 diabetes (BIRAX)	Yuval Dor	24,000	30,121	54,121	24,000	638	24,638

Notes to the financial statements 30 June 2020

5 Research grants (continued)

	Principal investigator	2020			2019		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
University of Edinburgh Validation of Novel and Candidate Biomarkers for Diabetic Kidney Disease in Large Cohorts of people with Type 1 Diabetes	Helen Colhoun	6,275	26,414	32,689	18,453		18,453
University of Lincoln Phenotype and specificity of the islet inflammation in Type 1 diabetes	Michael Christie	—	44,853	44,853		67,096	67,096
University of Bristol Adult onset Type 1 Diabetes: Slow Progressors or Late Starters?	Anna Long	76,676	—	76,676	72,418		72,418
University of Dundee Predictors of Early Stage Decline in Kidney Function in Type 1 Diabetes	Helen Colhoun	26,414	17,318	43,732		41,966	41,966
Cardiff University Gold nanoparticles coupled with selective PAMP ligands to deliver antigen specific immunotherapy	Colin Dayan	—	—	—		63,382	63,382
King's College, London Comparison of neo- and natural epitope reactivity as it relates to Disease Stage, T cell recruitment and polarization	Mark Peakman	—	—	—	25,000		25,000
University of Bristol JDRF International Clinical Sites - UK (Trialnet)	Polly Bingley	—	—	—	21,069		21,069
University of Cambridge Overnight closed loop in sub-optimally controlled type 1 diabetes under free living conditions (APCam11)	Roman Hovorka	—	—	—	50,611	460	51,070
University of Exeter Pancreatic enteroviral persistence - a molecular trigger for islet autoimmunity and type 1 diabetes in humans	Sarah Richardson	—	—	—	5,000	14,317	19,317
Kings College London Validation of Y receptors as targets for the maintenance of beta cell mass	Gavin Bewick	—	—	—		24,879	24,879
University of Exeter Does an orally active, brain permeable AMPK activator improve hypoglycemia counterregulation in a rat model of type 1 diabetes?	Craig Beall	—	—	—		1,096	1,096
University of Birmingham Glucose-Responsive Insulin Therapy (GRIT)	John Fossey	—	—	—	133,314	5,044	138,358
Institute for Med Res, Univ of Cambridge TrialNet Transcriptomic Pipeline	Eoin McKinney	—	—	—	410,723		410,723
University College London Stratifying Retinopathy Risk in Patients with Type 1 Diabetes	Richard Lee	—	—	—		49,261	49,261
University of Oxford Role of the autoantigen Tetraspanin-7 in Type 1 diabetes	Kerry McLaughlin	—	—	—	11,250	109	11,359
University of Exeter Potential mechanisms of persistent C-peptide in Type 1 diabetes	Andrew Hattersley	—	—	—	50,000	1,313	51,313
Jaeb Center JDRF's Artificial Pancreas Project Coordinating Center	Jaeb Center	—	—	—	52,233		52,233
University of Edinburgh (Connect Immune Research award) Precision type I interferon biomarkers for the stratification of autoimmune disease	Yannick Crow	—	—	—	3,247		3,247
		1,348,219	521,772	1,869,991	1,465,271	284,561	1,749,832

6 Net income (expenditure) before transfers

This is stated after charging:

	2020 £	2019 £
Depreciation	31,612	20,998
Directors' indemnity insurance	541	300
Auditor's remuneration (excluding VAT)		
. Audit for current year	9,800	9,800
. Under accrual for previous year	1,912	392
Operating lease rentals		
. Property	161,508	165,822

7 Staff costs and numbers and remuneration of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	2,115,109	2,193,981
Social security costs	203,995	204,997
Pension contributions	102,531	91,329
	2,421,635	2,490,307

One employee earned between £90,000 and £100,000 during the year (2019 - one), and two employees between £60,000 and £70,000 (2019 - two). The pension contributions paid during the year for these employees totalled £34,785 (2019 - £31,872).

The average weekly number of employees (on an average head count and a full time equivalent basis) carrying out JDRF's activities was as follows:

	Head count 2020	Head count 2019	FTE 2020	FTE 2019
Raising funds	27	28	25.8	26.5
Charitable activities	25	25	23.5	23.8
Central support	11	11	10.3	10.0
	63	64	59.6	60.3

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, and the executive management team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £404,603 (2019 - £401,049).

No trustees (2019 – none) received any remuneration for their services as a trustee. No expenses were reimbursed to trustees during the year (2019 - £676 to one trustee).

8 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 JD RF Trading Limited gift aids available profits to the charity.

9 Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2019	108,381	62,336	7,176	177,893
Additions in the year	—	80,180	—	80,180
At 30 June 2020	108,381	142,516	7,176	258,073
Depreciation				
At 1 July 2019	52,975	50,872	6,724	110,571
Charge for the year	11,081	20,079	452	31,612
At 30 June 2020	64,056	70,951	7,176	142,183
Net book value				
At 30 June 2020	44,325	71,565	—	115,890
At 30 June 2019	55,406	11,464	452	67,322

10 Investments

	2020 £	2019 £
Investment in unquoted subsidiary undertaking at cost	10,001	10,001

11 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of JD RF 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:

	2020 £	2019 £
Turnover	208,204	166,778
Cost of sales	—	—
Gross profit	208,204	166,778
Administrative expenses	(50,865)	(52,375)
Operating profit	157,339	114,403
Taxation	—	—
Profit on ordinary activities after taxation	157,339	114,403
Gift aid distribution to parent undertaking	(157,339)	(114,403)
Movement in retained earnings	—	—

11 Subsidiary undertaking (continued)

The aggregate of the assets, liabilities and funds was:

	2020 £	2019 £
Assets	202,772	155,852
Liabilities	(192,771)	(145,851)
Funds	10,001	10,001

12 Parent undertaking

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

	2020 £	2019 £
Gross income	5,836,549	5,731,165
Results for the year	(12,078)	(308,112)

13 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	101,180	34,610	66,500	13,311
Other debtors	6,533	17,206	6,533	17,206
Amounts due from subsidiary	—	—	70,104	48,119
Prepayments	160,792	206,585	160,792	206,585
Accrued income	142,045	339,330	139,545	339,330
	410,551	597,731	443,475	624,551

14 Creditors: amounts due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	5,555	35,108	5,555	35,108
Taxation and social security	46,869	71,632	46,845	59,026
Other creditors	19,722	24,671	19,722	24,671
Rent free benefit over lease period	25,185	30,535	25,185	30,535
Deferred income	122,642	85,925	—	800
Accrued costs	90,012	618,513	90,012	618,513
	309,986	866,384	187,319	768,653

Included in deferred income are amounts received in advance for events and sponsorship as set out below:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Brought forward as at 1 July	85,925	39,421	800	23,171
Additional income deferred in year	122,642	85,925	—	800
Brought forward funds released in year	(85,925)	(39,421)	(800)	(23,171)
Carried forward as at 31 June	122,642	85,925	—	800

15 Analysis of net assets between funds

Group	Restricted funds £	Unrestricted funds £	Total funds 2020 £	Restricted funds £	Unrestricted funds £	Total funds 2019 £
Tangible fixed assets	—	115,891	115,891	1,424	65,898	67,322
Net current assets	395,156	869,432	1,264,588	115,862	1,052,032	1,167,894
Net assets at 30 June	395,156	985,322	1,380,478	117,286	1,117,930	1,235,216

Charity	Restricted funds £	Unrestricted funds £	Total funds 2020 £	Restricted funds £	Unrestricted funds £	Total funds 2019 £
Tangible fixed assets	—	115,891	115,891	1,424	65,898	67,322
Investments	—	10,001	10,001	—	10,001	10,001
Net current assets	395,156	859,430	1,254,586	115,862	1,042,031	1,157,893
Net assets at 30 June	395,156	985,322	1,380,478	117,286	1,117,930	1,235,216

16 Movement in funds

	At 1 July 2019 £	Income £	Expenditure £	At 30 June 2020 £
Restricted funds				
Research funding	114,818	631,921	(408,113)	338,626
Steve Morgan Foundation	(30,965)	1,000,000	(940,105)	28,930
Support and awareness	33,432	80,131	(85,963)	27,600
Total restricted funds	117,286	1,712,052	(1,434,182)	395,155
Unrestricted funds				
General funds	1,117,930	4,332,702	(4,465,310)	985,322
Total funds	1,235,216	6,044,754	(5,899,492)	1,380,478

The Steve Morgan foundation negative balance was due to US dollar exchange rate movements between funding decisions and transfer of funds. This has been taken into account and reconciled within grant payments made in the financial year.

	At 1 July 2018 £	Income £	Expenditure £	At 30 June 2019 £
Restricted funds				
Research funding	192,266	381,859	(459,306)	114,818
Steve Morgan Foundation	—	1,000,000	(1,030,965)	(30,965)
Support and awareness	120,878	16,250	(103,696)	33,432
Total restricted funds	313,144	1,398,109	(1,593,967)	117,286
Unrestricted funds				
General funds	1,119,611	4,499,834	(4,501,515)	1,117,930
Total funds	1,432,755	5,897,943	(6,095,482)	1,235,216

16 Movement in funds (continued)

Purpose of restricted funds

Restricted funds are received for the purpose of carrying out particular activities; usually research grant funding, support and awareness 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.

17 Operating lease commitments

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

	2020	2019
	Land and buildings	Land and buildings
	£	£
Payments which fall due:		
Less than one year	179,409	174,226
Between two and five years	643,416	684,684
Over five years	—	106,982

18 Related party transactions

Trustee expenses for the year totalled £nil (2019 - £676 in travel and accommodation costs reimbursed to one trustee) and charitable donations received from trustees totalled £73,722 (2019 - £64,727).

There were no other transactions with related parties which required disclosure during the year (2019 - none).