

DiABETES UK
KNOW DIABETES. FIGHT DIABETES.

OUR IMPACT IN 2022

Annual impact report
and accounts

DiABETES UK
KNOW DIABETES. FIGHT DIABETES.

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IT'S BEEN QUITE A YEAR

Read on to find out how we've made a difference for people living with diabetes.



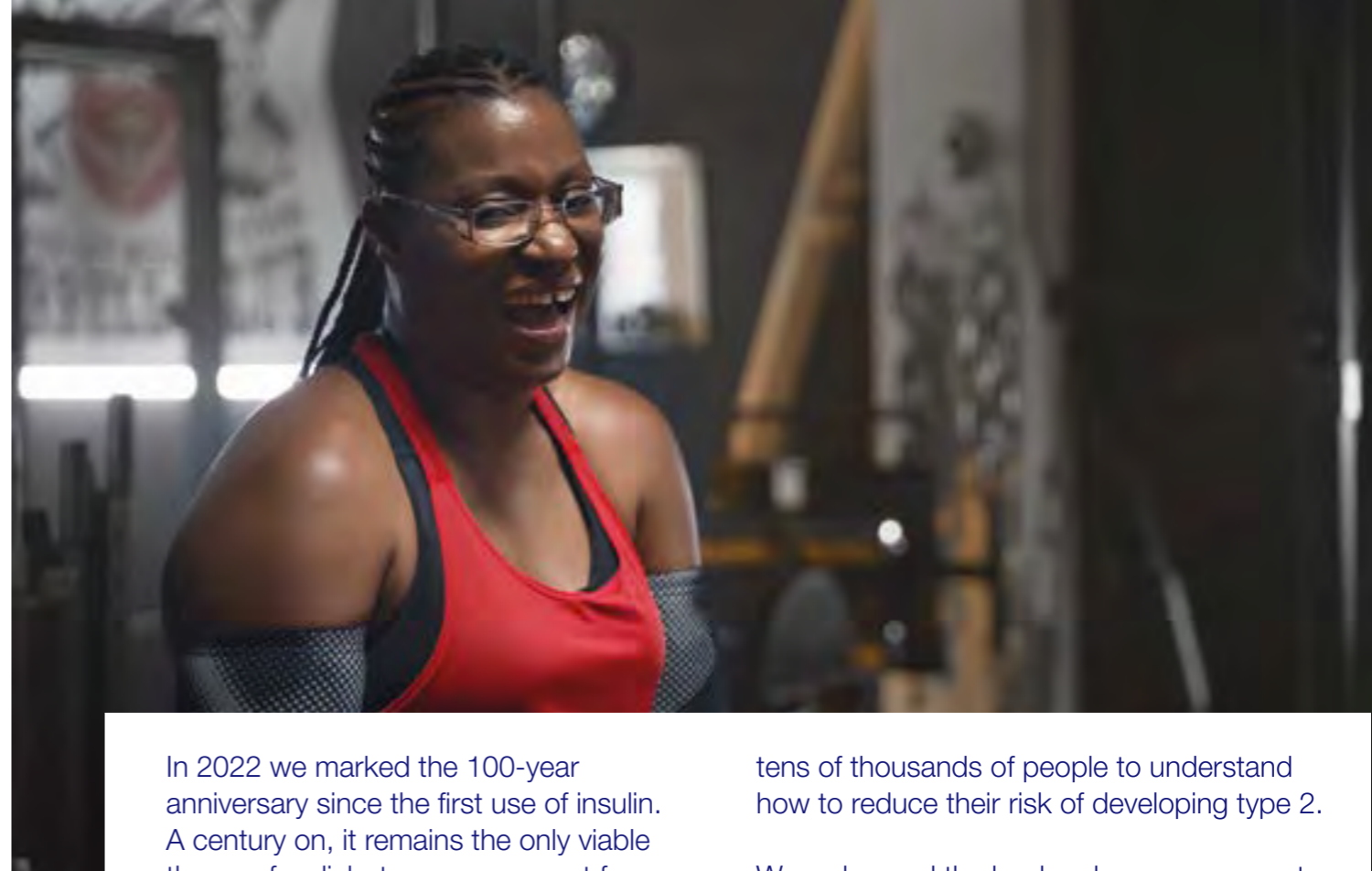
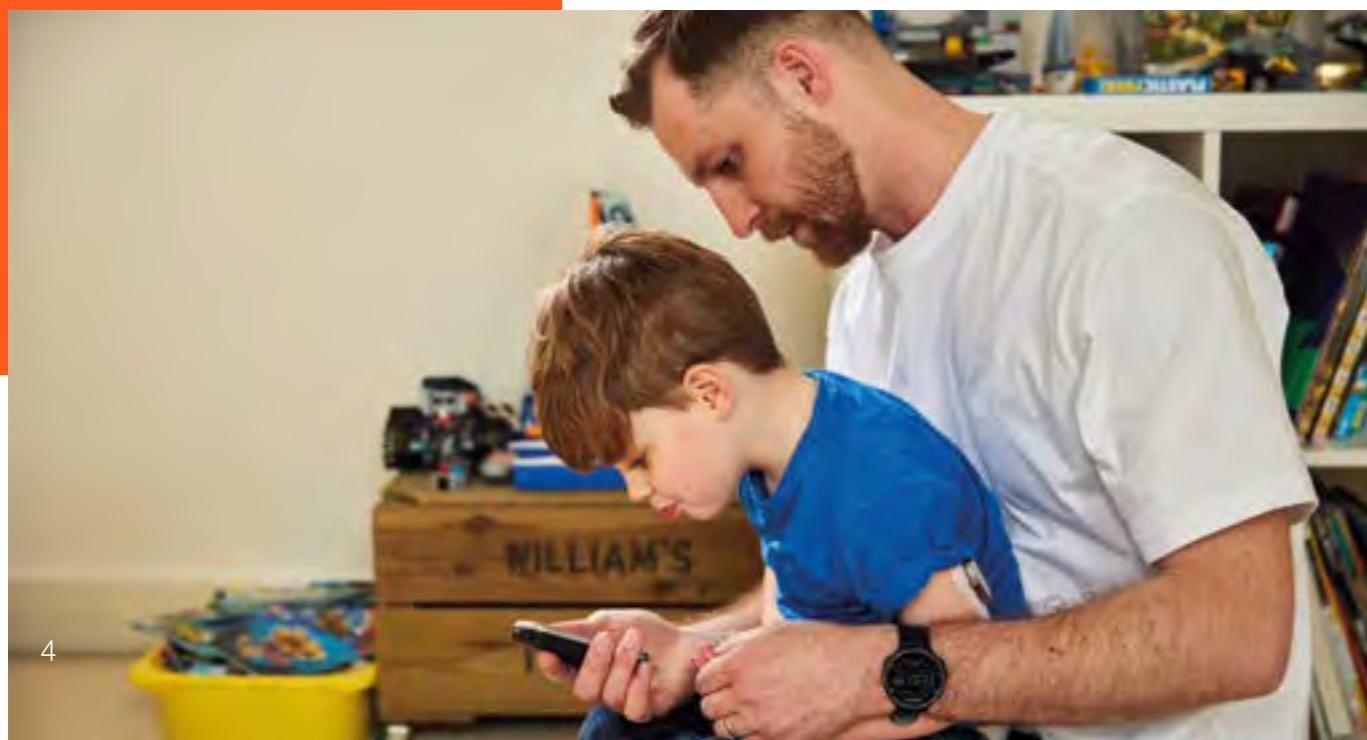
A YEAR OF HOPE AND HARDSHIP

This year – a century on from the first use of insulin in humans – people living with diabetes experienced enormous challenges. But, working together, we created hope and achieved change.

In 2022 we were confronted by the stark reality of the state of routine diabetes care following the coronavirus pandemic. We learnt that people with all types of diabetes are living with the worry that they're not having the checks they need, while the cost of living crisis is making the condition harder to cope with. Those who struggle to make ends meet in normal times are feeling the brunt of this even more, and inequalities in health are growing wider.

Diabetes UK has responded by taking urgent action to address this situation: adding our voice to campaigns to tackle poverty and inequality, learning what information and support you need from us right now and working tirelessly to provide it. Through our Diabetes Is Serious campaign we stood up for better diabetes care and succeeded in pushing it up the agenda. Now, two of the key national guidelines for post-coronavirus recovery of care include diabetes, meaning decision-makers can't ignore it.

It will be a long and difficult road, but we're going to do everything in our power to help rebuild routine care alongside our colleagues in the NHS, while scaling up our ambitions to tackle inequalities. Disadvantaged communities are already at greater risk of type 2 and its complications and, as the gap grows, our continual learning and work in this area becomes even more urgent.



In 2022 we marked the 100-year anniversary since the first use of insulin. A century on, it remains the only viable therapy for diabetes management for many, but a landmark new partnership heralds the start of a journey towards a new generation of smarter therapies and a cure for type 1. The launch of our Grand Challenge with JDRF has been enabled by £50 million from the Steve Morgan Foundation. This unprecedented support for ambitious research into type 1 will, we hope, urge the global research and philanthropic communities to come together to make an even bigger impact.

Our work to bring the chance of remission to more people with type 2 and to prevent its onset also took important steps forward this year. Our campaigning contributed to new legislation around food labelling and in-store marketing, and our partnership with Tesco helped

tens of thousands of people to understand how to reduce their risk of developing type 2.

We welcomed the landmark announcement that Flash technology will now be available to everyone with type 1 and more people with type 2 in England and Wales, with similar significant progress in Northern Ireland and Scotland. This, alongside progress in immunotherapy and our launch of the first-ever type 1 screening programme for children, really do bring new hope for people living with type 1.

In these tough times we're so grateful to our partners and supporters for continuing to stand with Diabetes UK in our mission. Your support means we can continue to help everyone trying to manage their condition under such challenging circumstances, while working tirelessly for a future where diabetes can do no harm.



Chris Askew
OBE
Chief Executive



Dr Carol Homden CBE
Chair



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

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

How we're getting there

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

A GENERATION TO END THE HARM

Our strategy is focused on curing and preventing diabetes, as well as helping people to live well and longer with the condition. We want to end the harm of diabetes within a generation.

WHAT WE'RE AIMING TO ACHIEVE

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

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

- 1 Fighting diabetes with you.
- 2 Tackling inequality.
- 3 Harnessing technology.
- 4 Learning and improving together.

OUR IMPACT AT A GLANCE

Together, we changed lives in 2022. Here are some of our highlights.



→ **£6.8 MILLION**

invested in 30 new research projects to help fund life-changing treatments to prevent, cure and make diabetes easier to live with.

→ **26,600**

visitors to our World Diabetes Day page, helping raise awareness of diabetes and our Know Your Risk tool.

→ **35,000**

local Patient Information Packs distributed to help people live better with diabetes.

→ **1,836 VOLUNTEERS**

gave their free time by helping give talks, running groups and providing peer support, to help others understand diabetes and get the support they need.

→ **£55 MILLION**

committed by the Steve Morgan Foundation to changing the lives of people living with type 1 diabetes over the next five years. £50 million will fund research through the Type 1 Diabetes Grand Challenge delivered by us and JDRF, and £5 million will fund a programme to help young people living with type 1 feel less isolated.



→ **£42.1 MILLION**

raised to provide vital support and fund life-changing research – that's over **10% higher** than last year.

→ **OVER 30,000**

came to our community groups to learn how to manage their diabetes and meet others living with diabetes too.



→ **40 MILLION PAGE VIEWS**

on our website helping people to find out more about diabetes and getting us further towards our vision of a world where it can do no harm.

→ **135,000**

people are now using our Learning Zone to help them manage their diabetes, with **87%** saying it has helped improve their confidence.

→ **270,000**

people completed our Know Your Risk tool to find their risk of developing type 2 diabetes. That's **almost 2.6 million** completions to date.



→ **2,259 PEOPLE**

attended our 2022 Diabetes UK Professional Conference, and **76%** said they'll use what they learnt to support their patients.



→ **OVER 25,000**

people took on our One Million Step Challenge and Swim22 raising **£1.8 million** by taking steps and making waves for everyone living with diabetes.

A NEW ERA OF DISCOVERY

Driving towards cure and prevention of diabetes

2022 has been a landmark year in the race towards better diagnosis, treatments and a cure for type 1 diabetes. In April, the Steve Morgan Foundation made the largest single donation to diabetes research in UK history, £50 million. Recognising our ambition and achievements, the Foundation chose to work with us in partnership with JDRF on a Type 1 Diabetes Grand Challenge.

The unprecedented scale of the Grand Challenge means scientists can be bigger, bolder and more collaborative in their research ideas, which we believe will spark a new era of advances for people with type 1. We kicked off by making funding available to help exceptional diabetes scientists pursue new ideas, with the potential for game-changing discoveries about the root causes of type 1 and how to cure it.

Throughout the year our dedicated researchers continued to make crucial advances in understanding type 2 diabetes. Scientists at Brunel University discovered for the first time that genes which control where our body fat is stored play a direct role in causing type 2.





Prity's son Avishay, aged 10, took part in the ELSA study, funded by us and JDRF, to find out his future risk of developing type 1 diabetes.

And a team at the University of Manchester found that insomnia can cause high blood sugar levels, directly increasing the risk of developing type 2. The findings could mean that treatments to tackle insomnia may reveal new ways to prevent or treat type 2.

In November, we launched the UK's first trial screening programme for type 1 diabetes in children. Funded by us in partnership with JDRF, the ELSA study will screen 20,000 children aged 3 to 13 for the earliest signs of the condition. Insights from ELSA could pave the way for widespread screening in the future and transform the way type 1 is identified and managed in its earliest stages.

20,000 CHILDREN
will be screened for the earliest signs of type 1 risk, through the ELSA study.

Just days after ELSA launched, the world's first type 1 immunotherapy drug called teplizumab (Tzield) was approved for use in the US. Research shows that teplizumab delays the development of type 1 by an average of three years. We're working with researchers, clinicians and people living with type 1 to ensure that people in the UK can benefit from this life-changing treatment as soon as possible.



“When you're taking part in research you know that you're helping people somewhere, it does feel good.”

REFINING REMISSION

Making type 2 remission a reality for more people

This year, thanks to our landmark DiRECT research trial and partnership work with the NHS, the 'soups and shakes' programme became available in 11 more areas of England – bringing the total number to 21. This means thousands more people living with type 2 diabetes will have the opportunity to go into remission with help from the NHS. In both Wales and Northern Ireland, pilot NHS programmes were extended.

As the roll-out continues, we're doing everything in our power to make sure people have the best chance of accessing remission support. When health professionals told us they need high-quality information to help them discuss it with their patients, we responded by creating a remission training module. In the first six weeks of the module's launch, almost 200 clinicians completed it and we've received positive feedback especially around how to have conversations about remission with patients. When we investigated other barriers to accessing remission services, people with type 2 told us that stigma around weight is still a major issue. We've listened and are shaping plans to begin to tackle stigma in 2023.

We've also acted on the need for alternative approaches to remission. While the 'soups and shakes' method is having great success at helping many people to lose weight, this dietary programme doesn't suit everyone. In partnership with the National Institute for Health and Care Research (NIHR), we've funded the £2.2 million NewDAWN study to develop a nationwide NHS support service for people with overweight or obesity and newly diagnosed type 2. The aim is for the NHS to

**21 AREAS
IN ENGLAND**

now offer a type 2 diabetes remission pathway on the NHS.



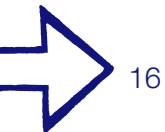
My health declining is what scared me, really, and made me try and see what can be done. I've changed that now.



David, ReTUNE participant and now in remission of type 2 diabetes.

offer a range of evidence-based weight loss approaches, so that everyone can find one that is right for them and have the best possible chance of remission.

Finally, the ReTUNE study we funded showed, for the first time, that remission is possible for people with lower bodyweights and type 2 diabetes. By being supported to follow a low-calorie diet plan, participants lost weight and reduced the amount of fat in the liver and pancreas – organs important for blood sugar control – with nearly three-quarters going into remission. With around 10% of people with type 2 having a lower bodyweight, these ground-breaking results could give many more people the chance to put their type 2 into remission.



TURNING THE TIDE

Working together to
prevent type 2 diabetes



I'm really glad that I used Know Your Risk. It kickstarted me to make changes in my life that I already knew I needed to make for a variety of reasons, but finding out my risk of type 2 diabetes was the real catalyst for me.



Joanne is one of the 2.6 million people who have taken action and completed our Know Your Risk tool to find their risk of developing type 2 diabetes.



World Diabetes Day 2022 saw the culmination of months of work with our partner Tesco. Together, we launched a two-week campaign encouraging people to check their risk of type 2 diabetes.

We focused particularly on the under 40s, having learned from the results of our joint consumer poll that many in this age group did not understand the risk factors for type 2 or recognise its symptoms. A media buzz around this story, combined with Tesco's enormous reach and our vibrant social channels, encouraged more than 33,000 people to complete our online Know Your Risk tool over the fortnight – 24,000 more than usual.

As always, everyone who calculated their risk was signposted to free information to help reduce it. And thanks to our relationship with the NHS, anyone in England who found themselves to be at moderate or high risk of type 2 could self-refer to the NHS Diabetes Prevention Programme. This innovative self-referral pilot, which concluded in November 2022, was a response to the pandemic and saw tens of thousands of people register for support.

We celebrated the launch of the first national prevention programme in Wales this year, which Diabetes UK Cymru has worked tirelessly to press for. This means that all four UK nations now have dedicated NHS support to help people reduce their risk of type 2. Like much of the health service, these took a hit during the pandemic and we're working with the NHS across the UK to ensure they recover.



Face-to-face support is really important in our prevention work. In our first year free of restrictions post-pandemic, we reached thousands of people in-person in communities who are more vulnerable to type 2 diabetes. From speaking to 150 people at Neasden Temple in London and over 1,000 at the Royal Welsh Show, to holding staff events at workplaces ranging from Aunt Bessie's to Hinkley Point C.

Turning the tide on type 2 and gestational diabetes means policymakers must take responsibility for addressing the conditions and environment in which we live. This year we had wins in our quest to make healthy choices easier when buying food: now large hospitality businesses must include calories on menus, and supermarkets are no longer allowed to display junk foods at checkouts.

However, delays from Westminster on junk food advertising and multibuy promotions are undermining progress. We'll keep pushing all UK governments to make the right choices for a healthier future.




THE FIGHT FOR BETTER CARE

Progress at a difficult time

Routine diabetes care has been severely affected by NHS backlogs and service pressures. In April we shone a spotlight on the issue with our Diabetes Is Serious campaign. Our survey of 10,000 people with diabetes in England was concerning – only around 1 in 3 had contact with their healthcare team in 2021. More than 7,000 people signed our petition to the Health Secretary demanding improvement.

The message got through. Diabetes was included in key national guidelines for post-Covid recovery of care, and NHS England said services should restore diabetes diagnosis, checks and support to pre-pandemic levels before the end of March 2023. We're keeping a close eye on progress.

As well as nationwide work we act in local areas of concern. In 2022, data revealed that 70% of Wigan's diabetes population hadn't received routine checks since early 2020. In response, we raised the alarm and worked with local people with diabetes to demand improvement. This led to diabetes becoming a top three priority for the local authority and NHS in Wigan – the first step to turning things around.



Mayank, a doctor and member of the Diabetes Research Steering Group, shows how we support healthcare professionals to deliver the best care and advice to people living with diabetes.



I am a Clinical Champion, a development programme run by Diabetes UK, working to improve and transform diabetes care regionally and nationally. I also regularly teach the Southampton Diabetes UK patient group, giving advice, educational updates and offering a questions and answer session.



We've been campaigning for greater access for diabetes health technologies for many years. In March 2022, a study we funded showed that Flash glucose monitoring enabled people with type 1 to spend two hours more of each day with healthy blood sugar levels, cut their HbA1c by four times more than those relying on finger pricks, and transformed their quality of life.

Just days later, the National Institute for Health and Care Excellence (NICE) recommended that more people with type 2 and everyone with type 1 should have access to Flash or continuous glucose monitoring technology. This has the potential to change thousands of lives, and we're working closely with the diabetes community and the NHS across England and Wales to ensure people get the technology quickly and fairly. In Northern Ireland, we've worked with others to secure

much wider access to insulin pumps. And in Scotland hybrid closed loop systems – a continuous glucose monitor linked to an insulin pump known as an 'artificial pancreas' – are now being funded on the NHS. England and Wales may soon follow suit, after we funded a successful NHS pilot that showed the benefits of semi-automated management of blood sugars for people with type 1.

Advances in technology and best practice are only as good as the healthcare workforce who deliver our care day to day. That's why, in 2022, we upskilled, informed and supported professionals from across the health service. From our 11th annual Diabetes in Pregnancy Conference, to upskilling staff in over 400 pharmacies in the midlands, we took a wide-ranging approach to reach thousands among the diverse workforce who are caring for people with diabetes.

CONFIDENT AND IN CONTROL

Supporting better lives with diabetes

Our Community Support Forum is a safe, vibrant and inclusive online space for anyone with, at risk of, or caring for someone with diabetes. Overseen by our expert moderators, it provides 24/7 peer support on anything related to daily life with diabetes. This year the forum welcomed its 30,000th member, and we launched a members' newsletter to highlight hot topics.

As well as being a vital source of peer support for members, the forum helps us to stay alert to any new challenges and issues for people affected by diabetes. This year we've noticed more and more newly diagnosed members reach out for basic advice that their doctor should be providing. This insight has re-focused us to do as much as we can to support people in that vital time after diagnosis, as well as pressing the NHS to ensure they're playing their part.

Physical activity is so important for living well with type 1 and type 2. Our Live Well Move More campaign – supported by the National Lottery through Sport England – succeeded

in getting almost 1,400 inactive people to build physical activity into their lives, and 25,000 accessed the campaign tools and tips. One element of the campaign – free 10-week 'Get Moving' Zoom courses – helped more than 200 inactive people to move more, and a quarter were people of South Asian descent with diabetes, who we sometimes struggle to reach. The two-year campaign finished in July and we're applying what it taught us about connecting with our target audiences to other projects.

In Scotland and Northern Ireland we continued to help young people with type 1 diabetes to support each other, and build their confidence in self-management. Young people tell us that these programmes – funded by National Lottery Community Funds – in which they're at the heart of 'running the show', improve their emotional wellbeing and confidence, and reduce their feelings of isolation. The lessons we've learnt from these schemes are helping us to develop a nationwide initiative for young people starting in 2023.



Our lives changed for the better after the weekend. As parents, we've been given new ideas and perspectives. We now feel better equipped to make type 1 our 'new normal'.



Our Diabetes UK Family Weekend gave the Thomas family much-needed care and support.

Our Online Community Support Forum welcomed its
→ **30,000TH MEMBER**

→ We reached over
12,000 PEOPLE

through our local or community groups.



A GAME-CHANGING PARTNERSHIP

In April, we launched a pioneering new partnership with the Steve Morgan Foundation and JDRF to transform the lives of people with type 1 diabetes. With an unprecedented £50 million investment from the Steve Morgan Foundation, the partnership will accelerate the development of new treatments and a cure for type 1 diabetes.

Steve and Sally Morgan's £50 million donation is the largest single philanthropic gift ever given to diabetes research in the UK. Steve and Sally were introduced to the type 1 community and the relentless daily management of

the condition when Sally's son Hugo was diagnosed with type 1 diabetes at the age of seven.

Over five years, this remarkable investment will fund the most promising projects led by exceptional scientists to fast-track discoveries that will lead to life-changing new treatments. By harnessing the power of collaboration, targeting research areas with the greatest potential, and stimulating bold, innovative research at scale, we're creating change that will improve the lives of millions of people with type 1 diabetes.

The Type 1 Diabetes Grand Challenge is calling on scientists to come up with innovative and collaborative projects in three research areas:

- Root causes of type 1 diabetes: We need new treatments to deal with the immune system's attack on the insulin-making beta cells, which causes type 1 diabetes.
- Replacing beta cells: We need new and improved treatments to replace or grow back the beta cells that have been destroyed, so people with type 1 diabetes can make enough of their own insulin again.
- Novel insulins: While we push towards a cure, we need next-generation insulins that can respond to changing blood sugar levels and eliminate highs and lows.
- The Type 1 Diabetes Grand Challenge could see us take huge leaps towards a cure for type 1 diabetes. In 2023, we'll continue to build momentum by increasing the pace of investment in the boldest and best research ideas.

Steve and Sally Morgan at Dr James Cantley's lab at the University of Dundee.

Supporting young people with type 1

In September, we announced a £5 million grant from the Steve Morgan Foundation to develop a life-changing new programme to support thousands of young people aged 11 to 25 living with diabetes across the UK.

The programme, which is being developed with young people with type 1 diabetes, is the first of its kind to be rolled out in-person and online across the UK. Driven by young people's experiences and needs, Our Lives, Our Choices, Our Voices will support young people with type 1 diabetes and their families to:

- Increase knowledge and confidence on how to best manage type 1 diabetes – resulting in better health and wellbeing.
- Reduce feelings of isolation and loneliness by developing strong peer support networks.
- Improve relationships with healthcare professionals (HCPs) by empowering children and young people to communicate effectively with HCPs resulting in better treatment, care, and transition to adult services.



Steve and Sally Morgan with Sally's son, Hugo



Our Lives, Our Choices, Our Voices will connect thousands of children and young people like Hugo across the UK, providing a community that will help them feel less isolated because of their condition.



Life with diabetes can be relentless, and thousands of young people with type 1 report feeling down about their condition, that they don't feel in control, and that it's holding them back. Many find that the constant checks, monitoring, and worry of living with diabetes day in, day out can leave them feeling isolated from friends.

By working in partnership with the Steve Morgan Foundation, we will be able to reach more families affected by type 1 diabetes than ever before. The partnership will help us to achieve lasting social change for thousands of families affected by type 1 diabetes – transforming their future health and wellbeing.

FIGHTING DIABETES WITH YOU

Partners who share our passion



MINDFUL CHEF

teamed up with us in a brand-new partnership with a shared goal of making healthy eating easier for people living with and at risk of diabetes. For the duration of the partnership, two co-created recipes will be available on the Mindful Chef menu every week, with a selection of these recipes also available on our website.

TESCO COLLEAGUES AND CUSTOMERS

generously raised an incredible £1.7 million for people affected by diabetes. With Tesco, Cancer Research UK and the British Heart Foundation, we launched Let's Talk – an innovative new training programme to help Tesco pharmacists better support people living with or at risk of these health conditions. In the lead up to World Diabetes Day in November, we partnered with Tesco to deliver a joint campaign to encourage thousands of people across the UK to better understand their risk of developing type 2 diabetes.

FITBIT

were headline sponsors of our One Million Step Challenge again, helping us to promote the event and engage with more people to raise vital funds.

Shannon was diagnosed with type 2 in her teens. Signing up for one of our fundraising events was her first step to a more positive outlook.

We couldn't do what we do without our dedicated partners who share our vision of a world where diabetes can do no harm. Here are some of the incredible things we achieved together in 2022.

OVER 100 TRUSTS AND FOUNDATIONS

generously supported us in 2022. They helped to fund a range of work including our pioneering research into type 1 diabetes, and vital support services such as Learning Zone and our helpline. They stood shoulder to shoulder with us through the difficult economic climate to help us change the lives of people living with diabetes.



I'm proof that with the right advice and support around you, it's possible to feel more in control of your health. I hope this [Tesco] campaign shows people who are worried about their risk of type 2 diabetes that the help is there and gives them the confidence to go out and get it.



FIGHTING DIABETES WITH YOU

Partners who share our passion

We're proud to have sector-leading partnerships with pharmaceutical companies that are improving the lives of people affected by diabetes.

We received £0.9 million from pharmaceutical and medical technology companies in 2022, which included £0.5 million supporting diabetes services and our work with healthcare professionals, and £0.3 million event sponsorship.

SANOFI

supported our work to improve the standard of diabetes care in UK hospitals for the third year running.



NOVO NORDISK

our longstanding partner, continued to support our Discovering Leadership and Clinical Champions programmes, which empower and support clinicians to drive improvements in diabetes care.

ROCHE DIABETES CARE

supported our Engaging Communities teams in their work to tackle inequalities in diabetes care nationwide.



ABBOTT, ELI LILLY AND BOEHRINGER INGELHEIM,

following the success in 2021 of our online professional development course for healthcare professionals, continued to support the development of the platform with the launch of two new modules – Understanding Diabetes and Type 2 Diabetes Remission.

AMARIN UK

became a new partner who also supported the platform, helping us to provide healthcare professionals with the skills and resources to better support those in their care.

DEXCOM

joined us in an exciting new partnership to help fund Learning Zone, our helpline, and Tackling Inequalities in Diabetes Labs.

ABBOTT

also supported our Diabetes Labs, which aim to improve outcomes for people living with diabetes who experience inequalities in care and treatment.

We developed new relationships with trusts, foundations, and corporate partners in 2022, and continued to make an impact with our long-term supporters. We'd like to thank all our partners for their generous support, and we look forward to achieving even more together in 2023. See page 46 for full list.

FIGHTING DIABETES WITH YOU

Vital insights from lived experience

At Diabetes UK, we strive to provide the services that people with diabetes want and need, when you need them, and in ways that suit you best. We try to use our influence to fight for the things that really matter to you.

To make sure we're hitting the mark, we involve people with diabetes in all our work. Who better? You are the experts by experience – living with diabetes every day.

This is not lip-service to patient involvement – we mean business. Our ambition is that people affected by diabetes work hand-in-hand with leadership, staff and volunteers at Diabetes UK to influence the design, delivery and review of every service and activity. It's a process called co-production.

In 2022 we launched Diabetes Communities in Action (CiA). It offers opportunities for anyone affected by diabetes to contribute to our work in a flexible way – picking and choosing

opportunities based on your interests and in ways that fit into busy lives. CiA members have already contributed to activities across the charity, from reviewing our survey about the cost of living crisis to providing personal insights for the NICE consultation on hybrid closed-loop technology.

Research is a key part of what we do and there are opportunities to join panels that contribute at every stage of this process. From reviewing applications for funding, to helping researchers understand the day-to-day realities of life with diabetes. Input from experts by experience is crucial to prioritising our research programme and getting the most out of every penny of investment.

A more formal way that your voices influence our work is via our Diabetes Lived Experience Advisory Committee (DLEA). It consists of up to 30 volunteers with experience of living with or caring for someone with diabetes.

If you're affected by diabetes, or a healthcare professional, and would like to get involved in our work, please get in touch at helpline@diabetes.org.uk or 0345 123 2399.

Members commit for three years, meet regularly, and link in with their local regions to feed insights from the ground into our strategy and projects.

We have similar involvement panels for health professionals. They make sure we're aware of the challenges behind the scenes of diabetes care across the UK, and take every opportunity to build diabetes skills, awareness and knowledge across the care workforce.

Jonathan has type 2 diabetes and is a valuable member of the Remission panel, bringing insight and experience to our meetings.

My experiences of the Remission panel have shown Diabetes UK at its best. I felt that I could bring things that mattered to the meetings from my own experiences and knowledge. I felt valued and respected by the team and fellow panel members and I really enjoyed hearing from them about what had worked well and the problems they were experiencing. People living with diabetes are the experts. Listen to them.

NO-ONE LEFT BEHIND

Tackling inequality so everyone can live well with diabetes

Poverty makes life with diabetes even harder. People in more deprived communities are less likely to access good care and the latest treatments and, in turn, are more likely to experience the serious health complications diabetes can bring. In 2022, the cost of living crisis threatened to widen the gap even further.

Using what we learnt during the coronavirus lockdowns, we asked exactly what people with diabetes need from us at this difficult time. The work revealed that the cost of living crisis is negatively impacting how people – particularly young people – were managing their diabetes, and causing people to eat cheaper and less healthy food.

In response, we produced **Balance the budget** – a 32-page supplement to our members magazine – and created a cost of living section on our website. This included recipes for affordable nutritious meals, which have been ordered or downloaded more than 5,800 times. We're working to meet the demand with more recipes, as well as exploring what information and advice we can provide around access to benefits – one of our top queries.

People also asked us to keep pushing the government for help. In 2022, we published a position statement on health inequality in diabetes and stood up for those at the sharp end of the crisis, adding our voice to calls for action to tackle health inequality. We were pleased that in the autumn statement the Chancellor committed to increase universal credit in line with inflation, although we still have a long way to go.

The information and advice we provide is only as good as the way we deliver it. We have learnt that it's vital to tailor our words, language and channels to their intended audience, including those from South Asian, Black African and Black Caribbean communities who are at greater risk of type 2 diabetes and its complications. This year we refined our campaign to reach Muslim people with diabetes fasting during Ramadan. We reached a collective offline audience of over half a million – using community, local and national print and broadcast media focusing primarily in Greater Manchester, Bristol and London to reach more people who are digitally excluded. In parallel, our tailored marketing helped to nearly treble the number of downloads of our multi-language Ramadan factsheets.

Joyce is a health inequalities Community Link Worker. Working with nine surgeries in the community and providing relevant holistic services to people, while also monitoring and finding solutions for inequalities.



We know that to effectively tackle inequality for people with diabetes, our decisions must be informed by the insights of those from diverse backgrounds and experiences. In 2022, we worked with South Asian, African and Caribbean communities in the midlands to shape the new phase of our Learning Zone – ensuring that our online education hub is accessible, accurate and appropriate for everyone. We also brought together experts with professional or lived experience of health inequality in diabetes to identify research priorities to help tackle the issues. We published the recommendations and will use them to guide our research funding.

We're also making changes to the charity. This year we launched our internal equity, diversity and inclusion strategy. It is our formal commitment to being a charity where everyone can thrive and feel valued and where colleagues have the confidence, capacity and ability to tackle inequality.



Events by Diabetes UK are really good for people to know where they can get help and support within their local community and find out what's available to help manage their diabetes. Simple things like different types of menus and dishes to make – which can help you to adjust your eating and lifestyle and improve your experience of living with diabetes. We need these types of events by Diabetes UK so all communities have better access to support.

Joyce, who has type 2 diabetes appreciates the vital information and advice we offer to local communities.



This year over 40,000 of you took on challenges, and raised money in your local communities to help make our work possible. We couldn't have done any of it without your incredible support.

THANK YOU

SIOBHAN WILSON

Siobhan took on Swim22 in 2021 completing 11 miles, and in 2022 completing 18 miles with enormous success. She raised over **£2,500** for Diabetes UK and even encouraged her work colleagues to join her. Siobhan was such a motivating and inspiring contributor to the Swim22 Facebook group in 2021 that she was asked to be a Facebook Ambassador.

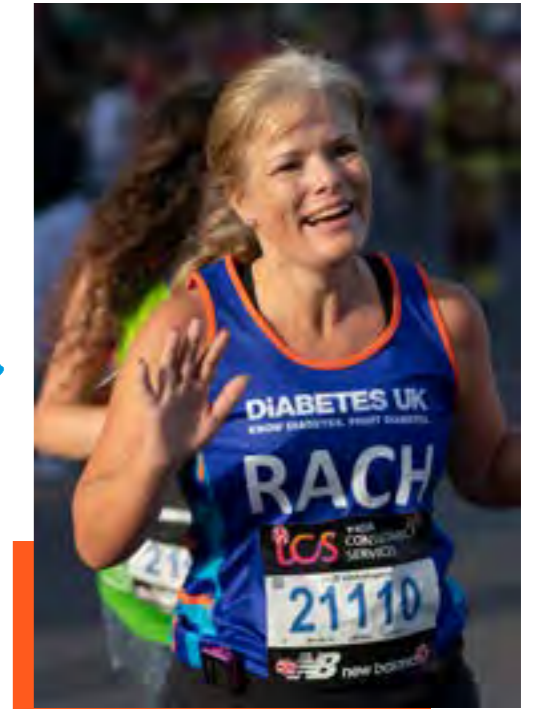


GEMMA MARTIN

Gemma from Northern Ireland took on 30 challenges to mark her 30th birthday. Challenges included a half marathon in under 2 hours, a sky dive, completing a cattle test, running up Eglinton Main Street in a bikini and wearing a chicken suit to a Westlife concert! Gemma raised an incredible **£4,120**.

RACHEL TRANTER

In 2022, our Running Ambassador Rachel completed London, Berlin, Chicago and New York Marathons and the Great North Run – all in her Diabetes UK vest. Running for her son Alex, who was diagnosed with type 1 when he was just six years old, over the years she has not only raised over **£40,000** for our cause, but also offered invaluable support to other Diabetes UK runners.



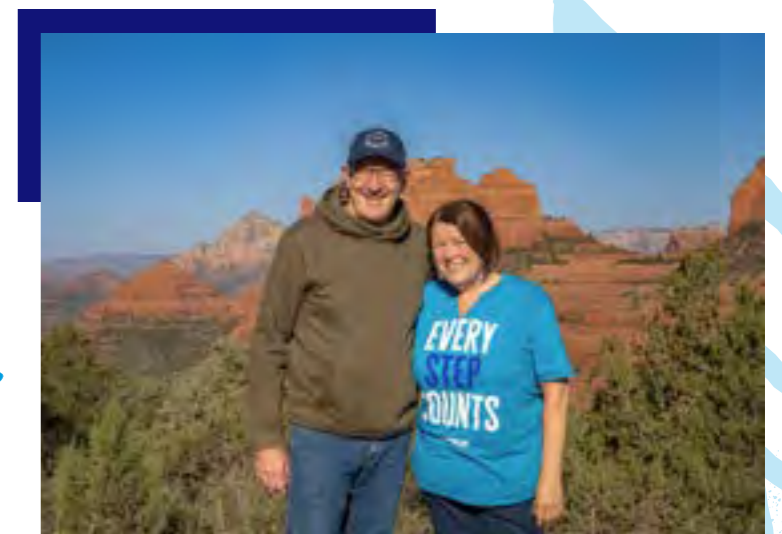
BETH BALDWIN

Beth's son Peter, 13, sadly passed away from undiagnosed type 1 diabetes in 2015. Since then, Beth, has campaigned tirelessly to raise awareness of the condition, hosting a multitude of fundraising events. So far, Beth and her family have raised over **£70,000** for Diabetes UK Cymru. Beth, we cannot thank you enough for everything you continue to do in support of those living with diabetes.



DENISE JENKINS

Denise took part in One Million Step Challenge 2022 for the second year running, after being diagnosed as pre diabetic in 2019. In 2022 she raised **£261** and discovered that her blood sugar levels were back in normal range! Thank you so much to Denise, and all our other superstar steppers that took part this year.





MIKE WAINWRIGHT

Mike took part in the TCS London Marathon in October 2022. This was Mike's first attempt at a marathon, an especially challenging commitment to make after being diagnosed with type 1 diabetes only five years earlier. Mike raised an astounding **£290,000** from his friends, family, work colleagues and a generous donation from his company! What an incredible achievement!

COVENTRY GROUP

The group has established many contacts with healthcare services, and visited prisons to provide staff and inmates with diabetes education. Great work.



MILESH LAKHANI

Milesh has type 3c diabetes. But he hasn't let that get in the way of his fundraising for Diabetes UK. Milesh and his family did the One Million Step and the London Bridge Challenges. And he raised **£2,000** by doing the London to Brighton bike ride.



SIMON HOOPER

Parent and influencer, Simon aka Father of Daughters, took on our UK Wide Cycle Ride challenge in April for his daughter, who has type 1 diabetes. On completing the challenge, Simon said, "Knowing that you are supporting people living with diabetes while on my bike gave me so much motivation to get on the saddle every time I cycled." Thank you so much to Simon for taking on this epic challenge, and for his ongoing support of Diabetes UK.

NANA OCRAN

Nana is a member of our Diabetes Research Steering Groups and has been integral to the tackling inequalities work we've done this year. Her work has helped us understand how to build relationships with Black African and Caribbean communities and ensure that their voices are heard in research.



PROFESSOR STEPHANIE AMIEL

Professor Amiel stepped down this year as Chair of our Science and Research Advisory Group. Having held the position for several years, she has been instrumental in advising where we should focus our research effort and helping to develop our research strategy.



NEW LANARKSHIRE FAMILY GROUP

The group runs regular coffee meet-ups for parents, an online peer support network, activities for children and their families, all free of charge.

THANK YOU

GUILDFORD AND SOUTH WEST SURREY GROUP

Thanks to this group for its fundraising efforts at local events and for its donation to the helpline following feedback from members.

THANK YOU

INDIVIDUALS

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

Surinder, Sunita, Sanjay and Raj Arora

Kip and Alison Bertram

Shaun and Jennie Bowler

Donald Burt

David Dupont

Bryan Jenkins

Trevor and Evie Pitman

David and Christine Thorp

Mike and Angie Rutherford

Mike Wainwright

CORPORATE PARTNERS

Abbott

Amarin UK

AstraZeneca UK

Boehringer Ingelheim

Britvic

Dexcom

Eli Lilly

Fitbit

Mindful Chef

Next

Novo Nordisk

Pharmacy2U

Roche Diabetes Care

Saladmaster UK

Sanofi UK

Tesco

TRUSTS AND FOUNDATIONS

AIB Community Fund

Cancer Research UK

Cecil Pilkington Charitable Trust

Department of Health Mental Health
Fund – Northern Ireland

EBM Charitable Trust

Edith Florence Spencer Memorial Trust

Edward Cadbury Charitable Trust

Eveson Trust

Garfield Weston Foundation

GJW Turner Trust

Hugh Fraser Foundation

Kilpatrick Fraser Charitable Trust

Masonic Charitable Foundation

Michael Davie Research Foundation

Miss MJM. Smith Trust

Moondance Foundation

Simon Gibson Charitable Trust

Sport England

Steve Morgan Foundation

The ALLIANCE and Mental Health
Foundation

The February Foundation

The Foster Wood Foundation

The National Lottery Community Fund
England (Awards for All)

The National Lottery Community Fund
Northern Ireland (Our Lives, Our Voices)

The National Lottery Community Fund
Northern Ireland (People & Communities)

Trafigura Foundation

REGIONAL AND NATIONAL PARTNER ORGANISATIONS

Act as One

Action Mental Health

AWARE NI

BAPS Shri Swaminarayan Mandir,
London (Neasden)

Birmingham & Solihull ICB, LPC

Bristol Inner City Primary Care Network

Bristol Meets the World

Children and Young People's Diabetes
Network Wales

Chinese Community Wellbeing Society

Hastings Voluntary Action

Hinckley Point C nuclear power plant
construction site

NHS England Midlands

NHS England East of England

North Down Community Network

The Mental Health Foundation and the
Health and Social Care Alliance Scotland

The Scottish Diabetes Group

Well One (part of Poplar Housing and
Regeneration Community Association)

OUR PLANS FOR 2023

In the coming year, and beyond, we'll be working tirelessly to make sure routine care gets back on track for everyone living with all types of diabetes.

We'll continue to build our understanding of the causes and consequences of health inequality in diabetes and do everything in our power to close the gap. Our Type 1 Diabetes Grand Challenge with the Steve Morgan Foundation and JDRF will invest in ambitious and innovative research to find new treatments and a cure for type 1, and we'll support more people to have a shot at remission from type 2.

SUPPORT REMISSION

The NHS continue to quickly roll out remission services. However, there remains a huge gap between the tens of thousands of people these services can currently reach, and the hundreds of thousands of people diagnosed with type 2 each year who could benefit from remission support. So, we're going to launch our own remission information and support service to give people with type 2 diabetes the guidance they need to try remission, as well as to support people who are on the NHS programme.



DESTIGMATISING DIABETES

Last year we worked hard to better understand what role we can play in ending diabetes stigma. In 2023, as part of our aim to become an anti-stigma organisation, we're going to fund a major research project to understand stigma towards people with diabetes, and test out different ways of reducing this.

We'll work to improve public understanding of diabetes by talking more about the complicated risk factors that lead to type 2, many of which are outside a person's control, as well as calling out diabetes myths and misconceptions. We'll also support people with diabetes to share their stories, so they can feel more confident about their condition.



PROGRESS FOR TYPE 1

The groundwork for our partnership initiatives with the Steve Morgan Foundation is complete. In 2023, we'll begin to build momentum in the Type 1 Diabetes Grand Challenge, by increasing the pace of investment into the boldest and best research ideas. And we'll roll out Our Lives, Our Choices, Our Voices – a national programme of peer support and resources for young people with type 1 that will enable them to successfully manage their diabetes and have a voice in the future development of services across the UK.

INFLUENCE FOR PREVENTION AND CARE

The third phase of our Diabetes is Serious campaign will prioritise local campaigning, honing in on areas in England where routine diabetes care is falling behind with post-pandemic recovery. Acting nationally, we'll work to ensure the needs of people with diabetes are fully reflected in the development of the Government's Major Conditions Strategy. We will continue to fight for people with and at risk of diabetes who are being hit hardest by the cost of living crisis, and work for improvements in obesity prevention policy across the UK. We'll also be campaigning for fair and equal access to diabetes technology in line with national guidelines, starting in Scotland and then England.

An exciting new initiative will reveal what difference we can make to the quality of local diabetes care when we focus in detail, on the ground, in areas of particular need, beginning in Wigan, Bath, Nottingham and Thanet.

TACKLING INEQUALITY

One of our top priorities is to ensure the information we provide is relevant and accessible to everyone living with diabetes. In 2023 we will re-launch Learning Zone, transformed by the lessons we've learned from working with people with lived experience of health inequality and from diverse communities.

Our Tackling Inequality Commission will publish its recommendations, following more than a year of work that has been guided by experts by experience, to dig into the issues of inequality in diabetes. The Commission is set to outline what actions they believe will have the biggest impact on tackling inequality and how we can work together with our partners to make it happen.



GET INVOLVED

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

Donations

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

diabetes.org.uk/donate

Become a member

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

Challenge yourself

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

Volunteer your time

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

Join our campaigners

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

Leave us a gift in your Will

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

Philanthropists, charitable trusts and foundations

Help us fund research, our helpline and Learning Zone. Find out how you, your charitable trust or foundation can help by contacting philanthropy@diabetes.org.uk

Corporate partners

Help raise awareness of diabetes and provide vital support to those affected by or at risk of it. If you'd like to team up, get in touch at partnershipenquiries@diabetes.org.uk



Find out how to get involved at diabetes.org.uk/how-to-help

GET SUPPORT

Talk to us

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

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

Call **0345 123 2399**
Monday to Friday, 9am to 6pm
Email **helpline@diabetes.org.uk**

Go online

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

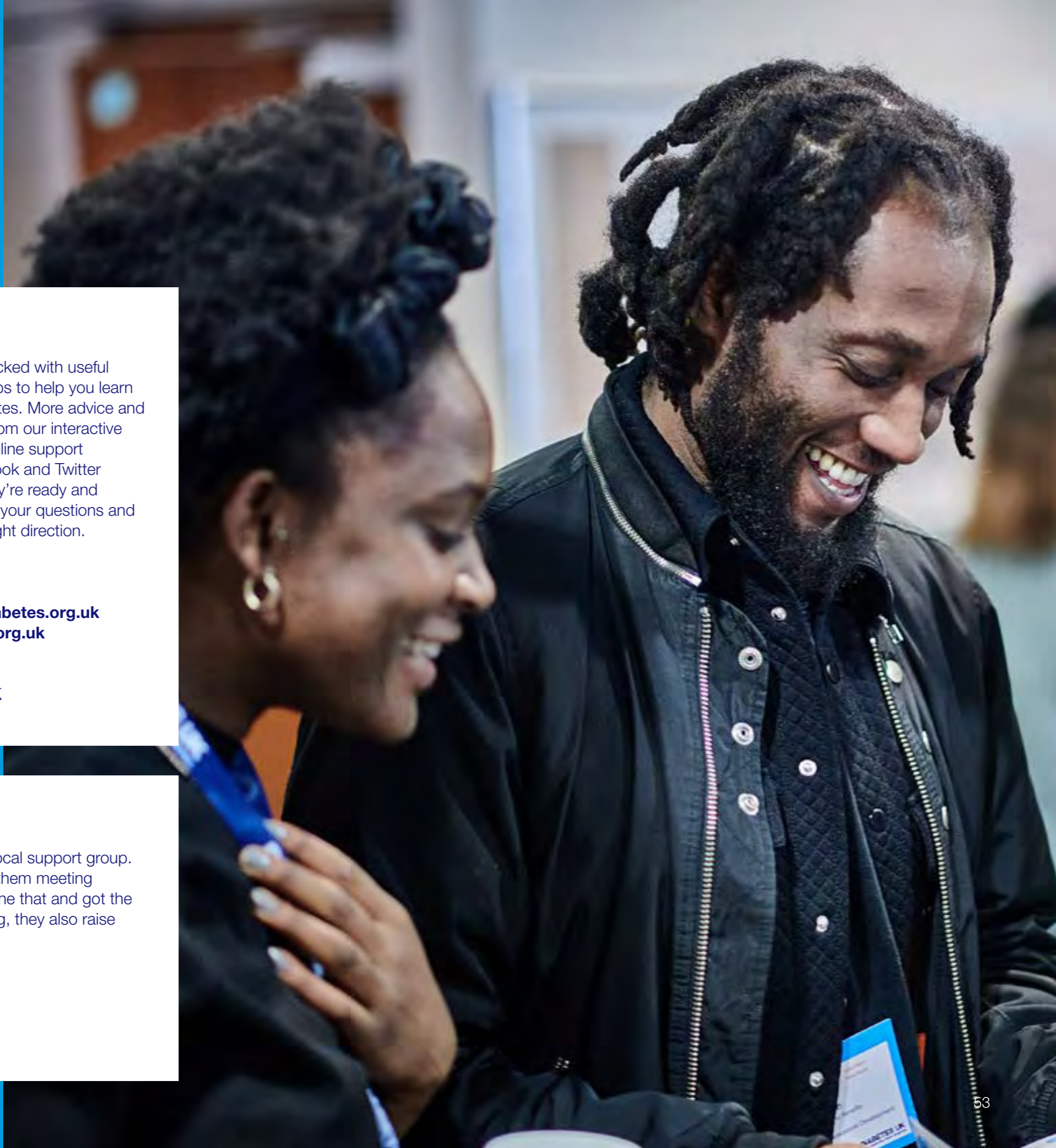
Head to:
diabetes.org.uk
learningzone.diabetes.org.uk
forum.diabetes.org.uk

 **/diabetesuk**
 **@DiabetesUK**

Join a local group

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

Find your nearest group:
Visit **diabetes.org.uk/groups**
Call **0345 123 2399**
Email **info@diabetes.org.uk**





HOW WE'RE RUN

Our governance and financial statements

Financial review

Overall

In 2022 we made a deficit of £0.65 million as part of a planned effort to reduce the amount we hold in reserves and release funds to support individuals with or at risk of diabetes. We continue to be deeply grateful for the gifts we receive as legacies, and from all of our supporters.

We have continued to strengthen in-person activities in 2022, with 316 people attending our summer camps and family weekends this year, nearly double the number we were able to accommodate in 2021. After an online Professional Conference in 2021, we ran a hybrid event in 2022 attended by 2,259 professionals across in-person and online sessions – with the 2023 event planned to be held in person in Liverpool.

We were able to grow our income, in part due to the incredible growth in legacies described above, and also as we started to receive income from the Steve Morgan Foundation following their commitment of £55 million to fund research, and peer support programmes for young people living with diabetes over the next five years. Overall this means that our income increased to £42.2 million in 2022, compared to £37.9 million in 2021 (an increase of £4.2 million).

Income

Income grew compared to the prior year by £4.2 million, driven primarily by legacy growth of £4 million. Donations other than legacies fell slightly to £14.1 million from £14.3 million in 2021, after we didn't see the growth hoped for in our fundraising events.

The health and fundraising partnership between ourselves, Tesco, the British Heart Foundation and Cancer Research UK, consistent with 2021, raised £1.4 million in donations for Diabetes UK.

Our trading activities generated £0.4 million less in 2022 than in 2021, due partly to lower numbers of players of our charity lottery. The Tesco sponsorship fee is also presented in this section (in the 'corporate sponsorship' line of note 4) and reduced by £0.2 million to £0.3 million in 2022 compared to the prior year.

Activities that generate income and are able to help us to meet our charitable objectives brought in £3.7 million in 2022, up from £2.9 million in 2021. The key driver to this movement was £0.8 million recognised from the Steve Morgan Foundation in the year, which is reflected in the 'service delivery' line of Note 6 to the accounts (offset by some smaller reductions in income).

Expenditure

We spent £42 million in 2022, £4.5 million up on 2021's spend of £37.4 million. Some of the growth in spend reflects the start of the Steve Morgan Foundation funded work, which sits across the cure or prevent and living well outcomes.

In 2022 spend on our work to cure or prevent diabetes grew by £1.8 million to £7 million, primarily due to new research projects being approved related to this objective, with £0.6 million committed against Steve Morgan Foundation funded fellowships within this total. A total of £6.8 million was spent on research grants, excluding a write back for underspends of £0.4 million, compared to £6.5 million in 2021.

We increased our spending on work to ensure that people with diabetes are able to live well to £8.5 million in 2022, up from £7.1 million in the prior year. Again work funded by the Steve Morgan Foundation drove some of this increase with £0.2 million spent on the Our Lives, Our Choices, Our Voices peer support programme for young people with type 1 in 2022. This only represented a few months of activity in 2022, so we expect to show a significantly higher spend on this programme in 2023 as we deliver a full year of activity. In addition we almost doubled the number of in-person type 1 family events and summer camps we ran compared to the prior year.

We spent £10.7 million on our work to promote better care in 2022, £0.2 million more than in 2021. This reflected in part a hybrid approach to the Diabetes UK Professional Conference in 2022, an event which had been entirely online in 2021. In 2023 the conference will return as an in-person event following feedback from attendees. We continue to strive for better care for people living with diabetes by working with the NHS, national governments and healthcare professionals.

We spent £2.6 million on our efforts to prevent type 2 diabetes in 2022, slightly less than our 2021 spend of £2.9 million. We are continuing our key activities in this area to ensure that people know their risk of developing the condition and are supported to take action.

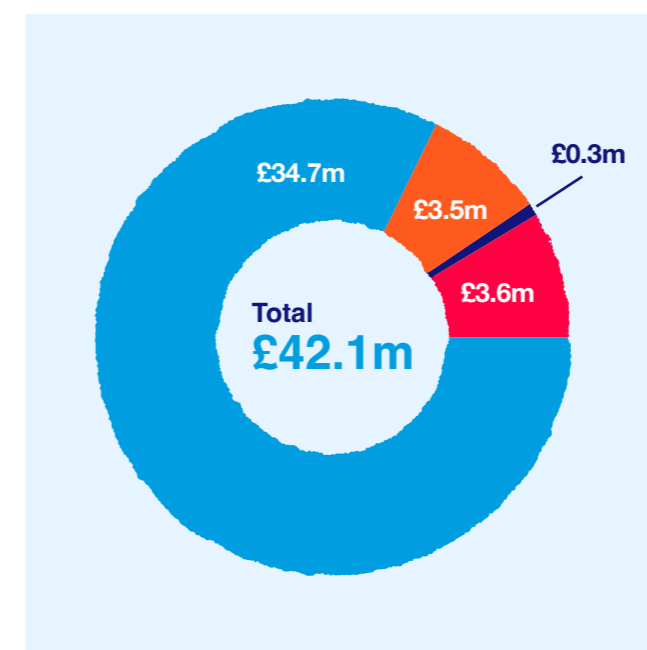
Our spend on activities related to remission of type 2 diabetes decreased slightly by £0.1 million in 2022 compared to 2021, to a total of £2.1 million. The movement related primarily to work we are undertaking to engage communities around the topic of remission after the Diabetes UK-funded Diabetes Remission Clinical Trial (DIRECT), inspired the NHS to offer a low-calorie diet programme across England with the aim of helping individuals put their type 2 diabetes into remission.

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

Our expenditure on raising funds was £1.5 million more than in 2021 at £11.1 million in 2022, compared to £9.6 million in the prior year. The movement reflects increased recruitment activity for new Members, and an increase in spend on challenge events after some didn't go ahead in 2021 due to the pandemic. We continue to invest carefully and in a way which responds to the current fundraising landscape.

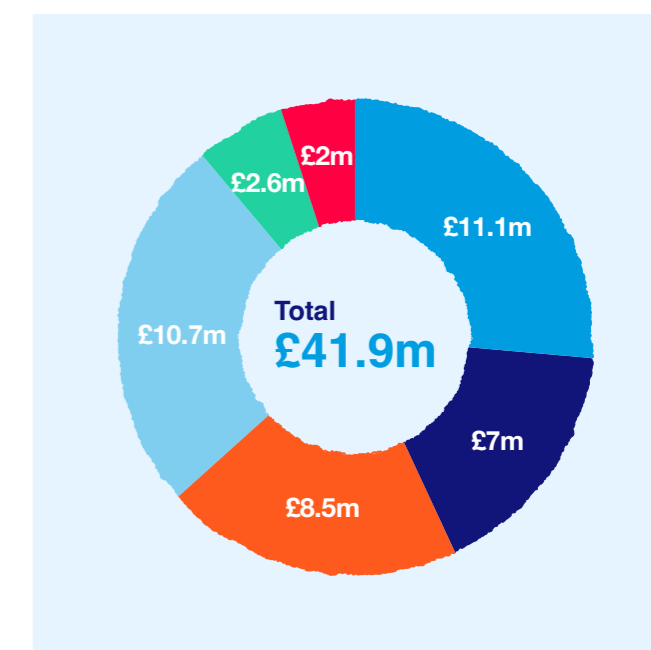
INCOME AND EXPENDITURE

Income



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

Expenditure



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

Our approach to reserves management

We hold financial reserves for several practical reasons, these include:

- Ensuring we are able to continue to fund our vital work should our income fall below target. Our reserves should give us time to adjust expenditure without causing undue disruption to the research programmes and lives of people our work supports.
- To provide working capital to meet upfront expenditure during the year before income is received.
- To provide resource for investment, for example developing services and ensuring we maximise outreach by developing virtual offerings and our ability to engage people at scale.

As at 31 December 2022, our total reserves were £19.8 million, of which £0.6 million were restricted under trust law to specific use. In line with the Charity Commission definition, unrestricted funds excluding tangible fixed assets, our general reserves stood at £17.7 million. As shown in note 25, we have £15.2 million in research grant commitments, which are not deducted from this measure of reserves.

In common with many charities who fund long-term research work, we operate a liquidity measure of reserves so that we can plan to meet our commitments as they fall due, as well as deal with risk and investment opportunities, outlined above. In 2021, we reviewed and updated our minimum tolerable level of reserves to £13.9 million, which is equivalent to four months projected forward cashflows. We also set a target reserves range equivalent to 4.5 months to 6.5 months' forecast forward cashflows (£20.2 million) to encompass likely volatility in liquidity levels over time. Our current liquidity level of £26.2 million supports

our approach to invest strongly in research, services and reaching people with diabetes in 2023.

We are currently revisiting our reserves policy and expect to have an updated or newly confirmed minimum liquidity level to share in the next annual report.

Our approach to investments

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

As a consequence of volatile market conditions, we made a loss on investments of £0.8 million (2021: £0.5 million gain). This amounts to -6.3% gross of fees which is comparative to the benchmark of - 5.9%. Our long-term target return is Consumer Price Index (CPI) plus 3% (measured on a total return basis net of all fees) and we regularly assess performance to check whether we are on track to achieve this goal.

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

Pensions

We provide employees with the opportunity to participate in a defined contribution pension scheme. In the past, we also provided a defined benefit scheme. The scheme is subject to a formal triennial funding valuation, with the most recent completed on 31 December 2019. This showed a strong position with a funding surplus of £0.4 million. The next valuation on 31 December 2022 will be available in late 2023. For financial reporting purposes, the actuary carries out a separate annual valuation in accordance with FRS 102: Employee Benefits, in which different funding assumptions are applied. The FRS 102 valuation on 31 December 2022 showed a surplus of £0.2 million (2021: £0.2 million deficit) and is further explained in note 30 to the financial statements. The Directors of the charity work closely with the Trustee Board of our pension scheme and their fiduciary advisers to review valuation reports, review sponsor risks and build the impacts of these into our financial modelling. This enables us to understand any risks to our finances and manage them such that we remain able to achieve our charitable objectives.

Going concern

The Board of Trustees has reviewed our activities, financial position and risk management policies together with factors likely to affect future development, including the impact of economic uncertainty on voluntary income. The financial impact of the cost of living crises' was central to these assessments, applying what we have learned through the pandemic including that we show a reassuring level of resilience in our income. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, at least 12 months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely

affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

Audit

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

Risk and uncertainties

We are committed to effective risk management and continue to adopt the established Three Lines of Defence Model and framework. We reviewed our overall approach with our internal auditors in 2022 and have actions in place to strengthen practice over 2023, which includes continuing to implement mandatory training for all managers.

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

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

Our key risks in 2022, and our mitigations for those risks are:

Income targets not being met.

Without income growth it will be increasingly difficult to deliver our ambitious strategy. We continue to experience challenges in fundraising because of the ongoing effects of the pandemic and more recently the cost-of-living crisis and possibility of a recession.

A key element of our strategy focuses on how we can engage and mobilise people to increase our income. A growth plan to drive this work will be implemented in 2023, which will include developing new innovative ways to generate income. We continue to invest in fundraising, with additional caution around expected return, and undertake reviews of our plans to grow engagement and income, ensuring we are focusing on activities that will accelerate our progress at this critical time.

Not making the best strategic choices and losing sight of our strategic vision.

If we do not implement the right changes at the right time, our ability to improve the lives of those affected by diabetes will be limited. As we understand more about how best to achieve an outcome-led strategy, regular review and adaptation to external context remains critical.

Adopting an outcome focus for 2020 to 2025 has provided us with clear direction, as we face new emerging issues. We continue to focus on the goals of our strategy and be responsive to the external changes, while maintaining a longer-term vision in these challenging times. The approach also provides us with regular opportunities to review our plans and ways of working, ensuring we make best use of our assets to maximise the impact of our work. In 2023, we will take the opportunity to further consider how we might need to evolve our organisation to achieve our ambitions and ensure they are fit for the future.

Not engaging sufficiently with those affected by diabetes, including those in disadvantaged groups.

To be viewed as a reliable advocate, and meet the needs of people with diabetes, we must engage with their experiences, insights and aspirations. A key part of planning and developing our work is ensuring we engage, work with, and build communities for people with diabetes. A key focus for 2022 has been reviewing and developing the ways in which we engage with those living with or affected by diabetes, considering how we can improve how we engage and the diversity of those we

engage with. In 2023, we will build on this, for example through our Tackling Inequality Commission which will hear more about the lived experience of people with diabetes in more disadvantaged groups, and how we can support them.

We also continue to use technology to our advantage, to strengthen, broaden and deepen our links to people with diabetes, reflecting their views and challenges in our work.

Our new peer support programme for young people with type 1 diabetes – Our Lives, Our Choices, Our Voices – provides us with opportunities to learn more about how to engage and respond to the experiences of this key group.

Not working effectively with agencies.

We cannot create a world where diabetes can do no harm alone. It is vital that we build on our relationships with key organisations, such as the NHS and government bodies within all nations. We should drive forward the needs of people with and at risk of diabetes in a way that recognises the inequalities, financial and capacity pressures they face daily, particularly as we move into a time of uncertainty.

Building partnerships and working with others to increase our efficacy and impact is a key aspect of our strategy. In 2023, we will continue to be active partners in movements that address inequality and social determinants of health, to help make greater impacts for those living with and affected by diabetes.

Assurance reviews of controls and processes within key areas of risk management take place each year. We continue to implement our agreed three-year plan of internal audits with our internal auditors BDO LLP. This third-party view alongside our own internal reporting provides assurance to trustees that we have identified and are managing the risks we face.

Our approach to modern slavery and our supply chain

We remain committed to continuously improving our processes to combat slavery and human trafficking in our business and supply chain. We carry out due diligence on our suppliers and have recruited dedicated procurement resource to start in early 2023. This will enable us to continue to develop our practice and only select suppliers who comply with our high standards and policies, as well as driving value. Our full statement is available on our website.

How we're organised and governed

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

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

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

Our Board of Trustees

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

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

The maximum number of trustees permitted under our Articles of Association is 14, and during 2022 they numbered between 12 and 14. Trustees are usually appointed for up to three years and may be re-appointed for two further terms of up to three years but cannot serve for more than a continuous period of nine years.

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

Trustee recruitment

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

The expertise and contributions of the four Trustees we appointed during 2021 with a fifth joining in May 2022 have been hugely beneficial to the work of the Board and helped us increase diversity within the context of meeting recommended practice in the Charity Governance Code. We also thank Dr Carol Homden for her first year leading the Board as Chair.

During the last quarter of 2022 due to both some planned retirement dates during 2023 and Trustees standing down early, we identified the need for some further recruitment and began work with a search agency with the aim of appointing at least three new Trustees during 2023 to bring marketing and communications, digital and business development expertise to the Board.

Charity Governance Code

The Board first adopted the Charity Governance Code in 2019, and as noted above, identified increasing diversity as a key priority. In 2021 GNC had reviewed the updates to the Code focusing on the more significant changes to the renamed Principle 6 – Equality, Diversity, and Inclusion, noting our work internally within the charity as well as externally. In June 2022 it considered a scoping exercise in relation to meeting expectations in the updated principle, noting the range of work that had been progressed.

In March our Board had received an update on developments since it considered our commitments and plans at its 2021 Board Away Day. Particular highlights included the publication in March of our Equity, Diversity & Inclusion (EDI) strategy setting out our EDI vision and priorities over the period 2020 – 2025, establishing a Tackling Inequality Commission, to be launched in early 2023, and a Trustee taking on the role of EDI Board Liaison Lead.

Board meetings

Our Board usually meets six times a year, holding one meeting as an annual away day where trustees and the Executive team (the Chief Executive and senior staff colleagues) can explore key strategic issues in more depth. Following the easing of social distancing restrictions, the Board welcomed in-person meetings during 2022.

Sub committees of the Board

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

Audit and Risk

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

Finance

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

Governance and Nominations

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

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

Remuneration

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

Research

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

Key stakeholders – our advisory groups

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

Diabetes Lived Experience Advisory Committee (DLEA)

DLEA informs our work so that we focus on what really matters to people living with diabetes. There can be up to 25 members, drawn from all four nations, including people with direct experience of type 1 and type 2 diabetes as well as carers and parents of children with diabetes. During early 2023, we will be reviewing membership, purpose and ways of working to ensure that the voices of people with lived experience feeds into all our work.

The Council of Healthcare Professionals (CHP)

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

National Advisory Councils in Scotland, Wales and Northern Ireland

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

The Science and Research Advisory Group

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

How we organise our work

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

Policy, Campaigns and Improvement
Care and Clinical Intelligence
People and Organisational Development
Corporate Services
Engagement and Fundraising
Operations
Research

Subsidiaries and related parties

We have a wholly owned trading subsidiary – Diabetes UK Services Limited. Its principal activities relate to corporate sponsorship, running the lottery, sales of various seasonal goods including Christmas cards, and income from promotional activities. The accounts for the subsidiary are consolidated in the accounts presented on page 108.

The company did not perform as well as in 2021, with the profit from the lottery, sales of advertising and corporate sponsorship lower than the prior year. But we expect a stronger performance in 2023 driven by a face-to-face professional conference. The taxable profit of £0.2m (2021: £0.6 million) will be donated to Diabetes UK under Gift Aid.

How our work delivers public benefit

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

We provide a range of direct services and practical support to people affected by diabetes or at risk of diabetes. We train and support healthcare professionals from a wide range of disciplines to improve diabetes services in their local areas. We continue to commit more of our own funds to research – building our knowledge of diabetes, developing improved treatments and, one day, finding a cure.

How we fundraise

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

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

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

Our generous supporters raise money for us in many different ways including fundraising in their local communities and through our local groups. We were delighted to restart our in-person events including our Thames Path and London Bridges Walk while continuing our popular 'virtual challenges' such as One Million Step Challenge and Swim 22.

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

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

Some of our fundraising activity is conducted on our behalf by carefully selected fundraising agencies who ask people if they would like to take part in our weekly lottery or become members.

We work very closely with our agencies Gemini (registered with the FR), Unity 4 (CIOF Corporate Member) and DTV Optimise (registered with the FR, Corporate member of the CIOF and DMA) to ensure they represent our work and our organisation to the very highest standards. We monitor our agencies regularly, using a range of methods, to ensure that everyone who works on our behalf adheres to our high standards. Monitoring methods include call listening, shadowing and mystery shopping.

Our website outlines our complaints process clearly. In 2022 we received 14 complaints about fundraising. We work to ensure we resolve, learn and take action to prevent issues happening again. We report the number of complaints we receive each year to the FR. We also publish an internal complaints report that is shared with our directors.

We train and support our staff and agencies to identify and protect people in vulnerable circumstances in accordance with our Vulnerable People Policy. All of our direct marketing communications contain clear instructions of how a supporter can easily opt out of receiving any further communication should they wish to. We are also signed up to the Fundraising Preference Service to enable people to let us know that they do not wish to receive fundraising communications from us. We received 13 requests from this service last year.

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

Our people

Our colleagues are at the heart of all we do and we are committed to providing an inclusive and supportive environment where everyone can be their best. The wellbeing of colleagues remained a key focus as we responded to the challenges posed by the ongoing pandemic, war in Ukraine, cost of living crisis and economic uncertainty. We provided a one-off cost of living payment to colleagues in addition to training on a range of topics including wellbeing, mental health and managing your finances. We implemented our new ways of working, following a trial period, which is underpinned by the principles of trust and support for colleagues to work flexibly and manage a good work-life balance while also highly valuing face-to-face time together as needed.

Equity, diversity and inclusion

During 2022 we launched our first Equity, Diversity and Inclusion (EDI) strategy and recruited an EDI specialist to help us to implement this. This supports our Tackling Inequality commitments to 'build an inclusive and diverse organisation, confidently tackling inequality'. In 2022 we embedded our anonymous shortlisting approach into our recruitment practices and trialled providing interview questions to candidates prior to an interview. We review diversity data within our recruitment processes every quarter to understand more about how we are attracting

people to apply for roles and their experience during the shortlisting and selection processes. We have a range of active staff networks in the charity and during 2022 we have been looking at how we embed equality impact thinking into the work we do. We are committed to making reasonable adjustments required by colleagues, where it is reasonable and possible to do so. We offer a range of flexible working options and support colleagues who have agreed Access to Work contracts. In 2022 we were delighted to sponsor three colleagues to take part in the inaugural Black Charity Leaders programme, led by Making the Leap, and will be offering this opportunity again in 2023.

Training, learning and development

Our learning and development offer includes a range of in-house opportunities, as well as opportunities to apply for funding to take part in external courses, conferences and qualifications. Our funding decisions are based on relevance to a colleague's role and the needs they have identified. During 2022 we built on our learning during the lockdowns of 2020 and 2021 to have a hybrid approach to training delivery, offering a suite of virtual and face-to-face opportunities. We participated in the cross-charities mentoring programme, providing lead coordination for this initiative across eleven charities. We continued to offer a range of 'programmes' to support sound approaches to risk assessment, to induct new colleagues into the charity and to develop new managers and leaders. Our Explore, Discover, Choose programme for junior colleagues which supports personal and career development ran successfully for a second time. To support our value of being 'driven to know more' in 2022 we have continued to offer monthly 'knowing diabetes' sessions, often involving external diabetes experts. Finally, we were delighted to hold our all-staff conference in September 2022 for the first time in three years.

Consultation and communication

We have regular meetings with trade union representatives through our Joint Consultative Committee and our Colleague Forum. The Colleague Forum is made up of staff representatives from each of our directorates. These meetings are opportunities to talk with colleague representatives on charity-wide matters and proposed changes, and to learn more about topics that are important to them. We run regular pulse surveys to give colleagues the opportunity to feedback on their experience of working at Diabetes UK including any new initiatives. Colleagues have regular 1:1 meetings with their managers, and we encourage managers to run regular team, department and directorate meetings. These help individuals and teams understand how they contribute to our work and the progress their directorate is making against agreed plans. Across the charity, staff are kept up to date in a variety of ways. The intranet is a hub of organisational news and information, and a summary of key articles is distributed to all staff in a weekly e-newsletter. Our directors and assistant directors run quarterly townhall events to report on progress against the annual plan. Throughout the year, we also keep colleagues updated about our strategy, projects and key pieces of work through shorter online conversations, presentations and vlogs.

Pay and benefits

Our approach to remuneration is designed to ensure we can attract and retain talented and motivated people with the right experience and skills. We aim to pay competitively, within the context of affordability and benchmark our salaries and benefits against other similar organisations. We have a simple and transparent job evaluation process, using an externally recognised benchmarking tool, to set our pay bands. We also have a recognition scheme in place and a range of benefits. Our trustees have overall responsibility for our pay policy including the salaries of our Chief Executive and other Executive team members. Our Remuneration Committee – comprising the Chair, Vice-Chair, and Treasurer of the Board – approve any organisation-wide increases, as well as the remuneration for our Executive team.

Our approach to grant making

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

Applications are reviewed by a minimum of three external peer reviewers against criteria such as relevance to diabetes, scientific merit, feasibility and value for money. The reviewers' assessments are then submitted to the Research Committee, or the Fellowship and Studentship Panels. Shortlisted applicants for fellowships are invited for interview by an

expert scientific and lay panel who make the funding decision. At least one member of the Research Committee sits on each fellowship panel. Funding decisions for early career small grants and shortlisted studentships are decided by an expert panel, including Research Committee members. We involve our Grants Advisory Panel of people living with or caring for someone with diabetes in our funding processes for project and strategic grants, early career small grants, and fellowships awards.

How we work to promote success

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

The long-term consequences of our decisions

We are grateful for the support of our advisory groups who enable us to consider the impact of the decisions we take over the medium and long term. You can read about the main ones on page 64. In 2022 we consulted with these groups on topics including new partnerships, progress against our strategy and future plans, fundraising products, and how we engage with volunteers using technology.

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

The interests of our employees

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

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

Our partners and suppliers are key to much of the work we do, and we work hard to drive high standards and to build great relationships with them. We have clear policies on open and fair procurement and effective contract and supplier management. You can read about some of our work with partners on page 32. We use feedback to improve our customer service and are committed to an ongoing programme of work aimed at ensuring excellent customer experience in all our interactions.

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

We take care to consult the communities we work in. We recognise our responsibility to minimise our environmental impact and have implemented all practical recommendations from our Energy Savings Opportunity Scheme report. We also comply with the Streamlined Energy and Carbon Reporting (SECR) reporting regulations, constantly reviewing our impact on the environment as an organisation which you can read about on page 70.

The benefits of maintaining a reputation for high standards of conduct

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

The need to act fairly

Fairness is key to achievement of these aspirations and our organisation policies reflect a consistently fair and transparent approach. We are also committed to equality in our workforce and are actively ensuring the fair treatment of colleagues which you can read about on page 66.

Streamlined Energy and Carbon Reporting

Executive summary

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

During the reporting process all emissions that are produced as part of our charitable mission have been considered including details of electricity and gas usage from all nine offices located in the UK and mileage data submitted through our accounting system. To complete the full data required, 1% of the data included in this report has been estimated. We continue to use an intensity metric of tonnes of carbon dioxide equivalent (tCO₂e) per full time equivalent (FTE) to ensure we continue to be able to compare year on year.

Year 3

Diabetes UK Limited Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 33.97 tCO₂e, resulting from the direct combustion of 159,889 kWh of fuel. This represents a carbon increase of 58.41% from last year.

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 56.47 tCO₂e, resulting from the consumption of 292,007 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 33.72% from last year.

Our operations have an intensity metric of 0.22 tCO₂e per FTE for this reporting year. This represents a reduction in operational carbon intensity of 19.37% from our previous reporting year.

Annual reporting figures

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

Consumption (kWh) and Greenhouse Gas emission (tCO₂e) total

The following figures show the consumption and associated emissions for this reporting year (2022) for our operations, with figures from the previous reporting period (2021) included for comparison.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets. Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

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

Totals

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

Utility and Scope	2022 Consumption (kWh)	2021 Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	292,007	401,275
Gaseous and other fuels (Scope 1)	60,541	67,538 ¹
Transportation (Scope 3)	99,348	39,121
Total	451,896	507,933¹

The total emission (tCO₂e) figures for reportable energy supplies are as follows. Conversion factors utilised in these calculations are detailed in the appendix:

Utility and Scope	2022 Consumption (kWh)	2021 Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	56.47	85.20
Gaseous and other fuels (Scope 1)	11.05	12.37 ¹
Transportation (Scope 3)	22.91	9.07
Total	90.43	106.64¹

¹Reported Scope 1 emissions and kWh for 2021 have been updated following an extensive data review. This is included as a re-statement of Scope 1 consumption and emissions arising from gas and other fuels in the appendix.

An intensity metric of tCO₂e per FTE has been applied for our annual total emissions. The methodology of the intensity metric calculations are detailed in the appendix, and results of this analysis is as follows:

Intensity Metric	2022 Intensity Metric	2021 Intensity Metric
tCO ₂ e / FTE	0.22	0.28 ²

²Our 2021 intensity metric has been re-stated following a recalibration of our Scope 1 emissions arising from gas and other fuels.

Energy efficiency improvements

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

Measures ongoing and undertaken through 2022:

Throughout 2022 we have:

- Continued to control our energy usage as far as reasonably practicable with the monitoring of BMS systems in our London office. This has ensured that HVAC systems are only in use when required and the building is occupied.
- As part of our process of repair and renewal, we have opted for high-efficiency LED lighting where older fluorescent tubing has failed and seek higher efficiency replacements for all failing equipment.
- We have also worked with our landlords in national and regional offices to ensure that maintenance on their own HVAC equipment is completed to ensure it is running as efficiently as possible.

Measures ongoing and undertaken through 2023:

Throughout 2023 we are:

- Concentrating on improving our hybrid meeting room technology with a 100k investment into new equipment in all of our remaining office meeting rooms to reduce the need to travel, but also enhance the experience of staff members partaking in hybrid meetings.

Appendix

Scope 1, 2 and 3 consumption and CO₂e emissions data has been calculated in line with the 2019 UK government environmental reporting guidance. Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting period 1 January 2022–31 December 2022.

Estimations undertaken to cover missing billing periods for properties indirectly invoiced to Diabetes UK Limited were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 1% of reported consumption.

Gas consumption and resulting emissions for the comparative 2021 reporting period have been restated due to increased data accuracy regarding natural gas. These Scope 1 emissions totals have been restated from 5.02 tCO₂e to 12.37 tCO₂e.

Transport increased in 2022 due to increased business activity and returning to travelling to meetings across the country and to regional and national offices.

Intensity metrics have been calculated using total tCO₂e figures and the selected performance indicator agreed with Diabetes UK Limited for the relevant report period Full time equivalents (FTE) (2021) 407 (387).

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- State whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board of Trustees is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose (with reasonable accuracy) at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 55 Contents 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the trustees is aware:

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

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

Approved by the Board of Trustees of Diabetes UK on 25 May 2023 including in their capacity as company directors, the strategic report contained therein, and signed on its behalf by:



Dr Carol Homden CBE
Chair

Patrons, trustees, officers and professional advisors

Patron

Her Majesty Queen Elizabeth

(Until 8 September 2022)

Ambassadors

Richard Lane OBE

Professor Sir George Alberti

Anne Felton

John Grumitt

Dr Michael Hall

Sir Michael Hirst

Professor Simon Howell

Judith Rich OBE

Board of Trustees and the membership of sub committees

Dr Carol Homden CBE, Chair

(Appointed 1 January 2022)
Governance and Nominations
Remuneration (Chair)

Janice Watson, Vice-Chair

Audit & Risk (Chair)
Remuneration

Ian King, Treasurer

Audit & Risk
Finance (Chair)
Remuneration
(Retired 12 May 2023)

Alexandra Lewis, Treasurer

Audit & Risk (Joined 13 May 2023 on becoming Treasurer)
Remuneration (Joined 13 May 2023 on becoming Treasurer)
Finance (Joined 14 March 2022 and appointed Chair 13 May 2023)

Dr Sarah Ali

(Appointed 26 May 2022)

Professor Linda Bauld OBE

Rosie Cunningham-Thomas

Finance
(Resigned 28 February 2022)

Michael Gibbs

Professor Wasim Hanif

Governance and Nominations

Helen McCallum

Audit & Risk
Governance and Nominations

Melanie Stephenson-Gray

Bob Swindell

Finance
(Resigned 30 November 2022)

Professor Wendy Thomson CBE

Audit and Risk

Dr Bob Young

(Retired 31 May 2022)

Dr Asiya Yunus

Our warmest thanks are recorded to the three trustees – Rosie Cunningham-Thomas, Bob Swindell and Dr Bob Young – who stepped down or retired during the year for their contribution to and support of our work at Board level and in many other areas of our work.

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

Anne Heal (Chair)

Julian Baust

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

Simon Hartley (Chair)

Colette Marshall

Simon O'Neill

Peter Shorrick

Senior management (the Executive team)

Chief Executive

Chris Askew OBE

Director of Engagement and Fundraising

Kath Abrahams
(To 11 February 2022)

Alastair Graham
(Interim Director from 31 January to 24 June 2022)

James Beeby (From 13 June 2022)

Director of Care and Clinical Intelligence

Simon O'Neill

Director of People and Organisational Development

Adrian Blair
(To 31 March 2022)

Sharon Jager
(Interim Director from 21 March to 16 September 2022)

Iréne Fufeyin (From 5 September 2022)

Director of Operations

Colette Marshall

Director of Corporate Services

Graham Galvin*

Director of Policy, Campaigns and Improvement

Bridget Turner

Director of Research

Dr Elizabeth Robertson

* Company Secretary

Bankers and professional advisors

Bankers

Barclays Bank Plc
One Churchill Place
London E14 5HP

Auditor

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Investment managers

Evelyn Partners
45 Gresham Street
London EC2V 7BG

Legal advisors

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

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

Withers LLP
20 Old Bailey
London EC4M

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

Diabetes UK

Registered office address

Diabetes UK
Wells Lawrence House
126 Back Church Lane
London E1 1FH

0345 123 2399
info@diabetes.org.uk

National and regional offices

Diabetes UK Midlands & East

Suite 2C
St David's Court
Union Street,
Wolverhampton
WV1 3JE
01922 614500

Diabetes UK South East Coast & London

Wells Lawrence House
126 Back Church Lane
London
E1 1FH

Diabetes UK South West & South Central

Victoria House
Victoria Street
Taunton
TA1 3FA
01823 448260

Diabetes Scotland

The Venlaw
349 Bath Street
Glasgow
G2 4AA
0141 332 2700

Diabetes UK Northern Ireland

Suite 1, 1st Floor
Lisburn Square House
Lisburn
BT28 1TW
028 9066 6646

Diabetes UK Cymru

Wing A, Global Reach
Dunleavy Drive
Cardiff
CF11 0SN
029 2066 8276

Diabetes UK North of England

Suite C, 2nd Floor
Dallam Court
Dallam Lane
Warrington
WA2 7LT
01925 653281

Following the pandemic and a learning review of our national and regional teams we decided to close the Epsom and Witham offices in July and August 2022 given the small number of colleagues based at these offices, their close proximity to our London office and their ability to undertake the role working from home. This has enabled us to make savings that will be reinvested into our work to support people living with diabetes.

Diabetes UK Midlands and Eastern

8 Atlantic Square
Station Road
Witham
Essex
CM8 2TL
01376 501390

Diabetes UK London and South East

Ground Floor
Blenheim House
Blenheim Road
Longmead Industrial Estate
Epsom
KT19 9AP
0208 549 5418

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

Opinion

We have audited the financial statements of the British Diabetic Association ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated and charitable company balance sheets, the consolidated cash flow statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 73, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 14 July 2023

Consolidated statement of financial activities

incorporating income and expenditure account and statement of total recognised gains and losses for the year ended 31 December 2022

	Notes	2022			2021		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Income from:							
Donations and legacies	3	32,115	2,542	34,657	29,181	1,628	30,809
Other trading activities	4	3,514	–	3,514	3,931	–	3,931
Investments	5	290	–	290	230	–	230
Charitable activities	6	1,674	1,980	3,654	1,420	1,494	2,914
Total income		37,593	4,522	42,115	34,762	3,122	37,884
Expenditure on:							
Raising funds	8	11,088	–	11,088	9,550	30	9,580
Charitable activities		–	–	–	–	–	–
Cure or prevent	9	4,734	2,253	6,987	4,423	762	5,185
Living well	9	7,694	833	8,527	6,383	725	7,108
Better care	9	9,801	909	10,710	9,546	934	10,480
Prevention	9	2,189	366	2,555	2,634	242	2,876
Remission	9	2,052	31	2,083	1,996	211	2,207
Total expenditure	9	37,558	4,392	41,950	34,532	2,904	37,436
Net (loss)/gain on investments	17	(815)	–	(815)	518	–	518
Net (expenditure)/income for the year		(780)	130	(650)	748	218	966
Transfers between funds	22	139	(139)	–	(56)	56	–
Other recognised gains							
Actuarial gains on defined benefit pension	30	177	–	177	1,569	–	1,569
Net movement in funds		(464)	(9)	(473)	2,261	274	2,535
Fund balances at the beginning of the financial year		19,701	599	20,300	17,440	325	17,765
Fund balances at the end of the financial year	22/23	19,237	590	19,827	19,701	599	20,300

There are no unrealised gains or losses which do not appear on the SOFA. All the above results are derived from continuing activities. The notes on pages 85 to 115 form part of these accounts.

Balance Sheet

at 31 December 2022

	Notes	Group		Diabetes UK	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Tangible and intangible assets	16	1,581	1,297	1,581	1,297
Investments in subsidiary undertakings	26	–	–	40	40
Other investments	17	19,409	20,040	19,409	20,040
		20,990	21,337	21,030	21,377
Current assets					
Stock		116	81	7	10
Debtors	18	3,338	4,617	3,875	5,206
Cash at bank and in hand		7,373	5,396	6,659	4,771
		10,827	10,094	10,541	9,987
Creditors: amounts falling due within one year	19	(11,770)	(10,713)	(11,524)	(10,646)
Net current liabilities		(943)	(619)	(983)	(659)
Net assets before provisions		20,047	20,718	20,047	20,718
Provision: for liabilities and charges		(220)	(241)	(220)	(241)
Provision: defined benefit pension scheme liability		–	(177)	–	(177)
Net assets		19,827	20,300	19,827	20,300
Funds					
Restricted funds	22/23	590	599	590	599
Unrestricted funds					
General funds		19,237	19,878	19,237	19,878
Pension reserve deficit	30	–	(177)	–	(177)
Unrestricted funds including pension liability		19,237	19,701	19,237	19,701
Total funds		19,827	20,300	19,827	20,300

The notes on pages 85 to 115 form part of these accounts.

The net movement in funds for the financial year dealt with in the financial statements of the parent company was a loss of £473k (2021: gain of £2,535k).

Approved by the Board of Trustees on 25 May 2023 and signed on their behalf by:

Registered company no: 339181



Dr Carol Homden
Chair



Alexandra Lewis
Treasurer

Consolidated statement of cash flows for the year ended 31 December 2022

	2022 £'000	2021 £'000
Cash flows from operating activities:		
Net cash used in operating activities (note 1 below)	2,503	(1,691)
Cash flows from investing activities:		
Dividends and interest from investments	290	230
Purchase of tangible fixed assets	(632)	(299)
Proceeds from the sale of investments	2,270	1,979
Purchase of investments	(2,680)	(1,806)
Movement on cash deposits	226	(355)
Net cash provided by investing activities	(526)	(251)
Change in cash and cash equivalents in the reporting period	1,977	(1,942)
Cash and cash equivalents at 1 January	5,396	7,338
Cash and cash equivalents at 31 December	7,373	5,396
	2022	2021
	£'000	£'000
Note 1 to the consolidated statement of cash flows		
Reconciliation of changes in resources to net cash (outflow) from operating activities		
Net (expenditure)/income for the year per the SOFA	(650)	966
Adjustments for:		
Depreciation charges	332	362
Loss/(gain) on investments	815	(518)
Loss on disposal of fixed assets	16	–
Dividends and interest from investments	(290)	(230)
(Increase)/decrease in stock	(35)	38
Decrease/(increase) in debtors	1,279	(2,558)
Increase in creditors	1,057	255
Decrease in provisions	(21)	(6)
Net cash used in operating activities	2,503	(1,691)

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

Notes to the financial statements

1. Charity information

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

2. Accounting policies

Basis of preparation

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

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

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

Basis of consolidation

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

Going concern

We consider the going concern basis of accounting to be appropriate following careful consideration of our financial position and a commitment to close management of the ongoing financial and operational risks. The financial impact of the pandemic was central to these assessments, both regarding delivery plans and our ability to continue to raise voluntary income in a period of economic uncertainty.

Critical accounting judgements and key sources of estimation uncertainty

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are pensions liabilities where the charity recognises its liability to its defined benefit scheme which involves a number of estimates as disclosed in note 30, and legacies which are recognised when evidence of entitlement exists and the charity is able to measure reliably. Recognition is therefore sometimes in advance of receiving the cash.”

Notes to the financial statements

Income

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

Legacies

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

Donations

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

Membership subscriptions

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

Donated goods, services and facilities

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

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

Grants receivable

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

Expenditure

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable. Redundancy and termination payments are accounted for when agreed.

Costs of raising funds

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

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

Charitable activities

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

Research grants

Diabetes UK contracts with a range of institutions to fund specific research projects. Payment is conditional on the performance of key tasks and where such tasks remain incomplete, payment is withheld. Diabetes UK operates an annual review process whereby grants are reviewed to ensure progress is being made and the research programme complies with expectations before continuing payment is confirmed. As a result of this the first year of each research grant is recognised upfront, except where the grant is for one year only, when the final payment for that first year is not recognised until the final report is received.

Support and governance costs reallocation

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

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

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

Retirement benefits

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

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

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

Taxation

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

Assets and Liabilities

Tangible and intangible fixed assets

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

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

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

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

Notes to the financial statements

Investments

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

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

Stocks

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

Operating leases

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

Pension liability

The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on AA rated corporate bond yields. When scheme assets are in excess of scheme liabilities and the asset is not recoverable, in accordance with FRS102 the asset is not recognised.

Funds

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

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

Financial instruments

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

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

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

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

3. Donations and legacies

	2022 £'000	2021 £'000
Incoming resources		
Legacies	20,510	16,512
Donations	14,147	14,297
	34,657	30,809

4. Other trading activities

	2022 £'000	2021 £'000
Incoming resources		
Lotteries	1,658	1,776
Advertising	104	140
Corporate sponsorship	1,118	1,430
Merchandising	569	543
Service charges	42	42
Other	23	–
	3,514	3,931

5. Income from investments

	2022 £'000	2021 £'000
Dividends from listed securities	158	166
Interest on cash at bank	132	64
	290	230

Notes to the financial statements

6. Income from charitable activities

	2022 £'000	2021 £'000
Conferences	84	46
Service delivery	2,658	2,048
Diabetes events	13	7
Professional membership	136	142
Publications	626	536
Rental	137	135
	3,654	2,914
Cure or prevent	996	166
Living well	924	779
Better care	1,433	1,631
Prevention	241	267
Remission	60	71
	3,654	2,914

Included within service delivery is new funding from the Steve Morgan Foundation which exclusively funds the delivery of the Type 1 Grand Challenge (£0.6 million in 2022) and the Our Lives, Our Choices, Our Voices peer support programme for young people living with type 1 diabetes (£0.2 million in 2022).

7. Government grants

	2022 £'000	2021 £'000
Government grants used to fund diabetes projects and recognised in the accounts are:		
Coronavirus Job Retention Scheme	–	110
National Lottery Community Fund Northern Ireland	89	233
National Lottery Community Fund England	11	25
National Lottery Community Fund Scotland	14	–
Department of Work & Pensions	18	–
Department of Health Mental Health Fund (NI)	14	–
Nesta	2	–
Central & North West London NHS Foundation Trust Charitable Fund	25	–
Sport England	281	398
Public Health England	–	5
UK Research and Innovation	232	472
	686	1,243

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

Notes to the financial statements

8. Expenditure on raising funds

	2022 £'000	2021 £'000
Voluntary income		
Legacies	439	448
Donations	8,272	6,605
	8,711	7,053
Fundraising trading		
Lotteries	1,156	1,333
Advertising	112	121
Corporate sponsorship	317	402
Merchandising	632	611
Other	100	–
	2,317	2,467
Investment management costs	60	60
	11,088	9,580

9. Analysis of total expenditure

	Activities undertaken directly £'000	Activities undertaken by grant funding £'000	Support and governance costs £'000	2022 £'000	2021 £'000
Expenditure on raising funds	9,887	–	1,201	11,088	9,580
Expenditure on charitable activities					
Cure or prevent	3,117	3,324	546	6,987	5,185
Living well	6,970	138	1,419	8,527	7,108
Better care	6,656	2,472	1,582	10,710	10,480
Prevention	1,814	359	382	2,555	2,876
Remission	1,616	140	327	2,083	2,207
	30,060	6,433	5,457	41,950	37,436

10. Support costs allocations

	Governance £'000	Facilities £'000	Finance £'000	Human resources £'000	IT £'000	2022 Total £'000	2021 Total £'000
Expenditure on raising funds	45	274	171	263	448	1,201	1,059
Expenditure on charitable activities							
Cure or prevent	20	124	78	119	205	546	481
Living well	53	323	202	310	531	1,419	1,251
Better care	59	361	226	346	590	1,582	1,299
Prevention	14	87	54	84	143	382	385
Remission	12	75	47	71	122	327	337
	203	1,244	778	1,193	2,039	5,457	4,812

11. Governance costs

	2022 £'000	2021 £'000
Trustee costs	20	32
Governance and stakeholder support costs	112	110
External audit	71	57
	203	199

Notes to the financial statements

12. Grant funding

The institutions receiving grant funding in the year in excess of £100,000 were:

	2022 £'000	2021 £'000
Imperial College	620	
University of Exeter	609	
University of Leeds	579	
University of Cambridge	545	
University of Dundee	513	
King's College London	443	
University of Bristol	359	
University of Oxford	352	
University College London	234	
Academy of Medical Sciences	187	
Manchester Metropolitan University	186	
Queens University Belfast	169	
The University Of Manchester	169	
University of Ulster	158	
University of Birmingham	152	
Southport and Ormskirk Hospital NHS Trust	138	
University of Edinburgh	135	
University of Aberdeen	133	
Department of Health and Social Care	127	
University of York	105	
University of Surrey	103	
Cardiff University	101	
Health Data Research UK	100	
	6,217	5,918
Research grants to other institutions	622	594
Write back of grant creditor to reflect underspends	(393)	(59)
Refund of research grants from institutions	(79)	(12)
Other grants	66	15
Total grants to institutions	6,433	6,456
Grants reconciliation		
Creditor at the beginning of the year	7,752	7,778
Grants awarded in the year	2,996	2,408
Liabilities arising on existing grants	3,843	4,104
Write back of grant to reflect underspends	(393)	(12)
Payments in the year	(6,115)	(6,526)
Creditor at the end of the year	8,083	7,752

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

	2022 £'000	2021 £'000
Depreciation (see note 16)	332	362
Auditors remuneration		
– external audit: group statutory audit	54	46
– tax advice	3	3
Non-recoverable VAT	1,312	1,114
Operating leases		
– property	1,361	1,381
– other	0	4

14. Transactions with trustees

Trustees have not been remunerated for their work as trustees during the year (2021: £NIL). However, Dr Bob Young worked as an independent contractor as a National Diabetes Audit Clinical Lead for which he received payment of £8,400 (2021: £20,800). This was paid under the statutory power to pay trustees as set out at s185 of the Charities Act 2011. The payment satisfied the conditions under the Act and was also in line with Charity Commission Guidance “Trustee Expenses and Payments” (CC11).

A total of six trustees (2021: 4) have been reimbursed directly for expenses or had such expenses met by payments made to third parties at a total cost of £5,211 (2021: £489). All amounts were for reimbursement of travel and subsistence costs in relation to board of trustee and advisory council duties.

15. Staff costs

	2022 £'000	2021 £'000
Salaries	15,565	14,365
Social security costs	1,657	1,431
Other pension costs	946	917
Redundancy and termination payments	16	16
	18,184	16,729

Redundancy and termination payments include £10k (2021: £3k) of ex-gratia payments which were agreed as part of severance packages to two (2021: 1) individuals. As at the year end no (2021: £nil) redundancy and termination payments were unpaid.

	2022 number	2021 number
Average headcount		
Fundraising	77	76
Charitable activity	278	267
Support	48	54
Governance	2	2
	405	399

Pension costs

Pension costs comprise £945,872 (2021: £917,083) in respect of defined contribution pension schemes and £NIL (2021: £NIL) in respect of the defined benefit pension scheme.

	2022 number	2021 number
Number of employees whose remuneration fell within the following ranges:		
£60,001 – £70,000	14	9
£70,001 – £80,000	5	5
£80,001 – £90,000	1	–
£90,001 – £100,000	1	2
£100,001 – £110,000	3	3
£110,001 – £120,000	–	1
£140,001 – £150,000	1	1

The key management personnel of the charity comprise the trustees - unremunerated for their role as trustees, see note 14 - the Chief Executive Officer, and the Executive Team. The total employee benefits of the key management personnel of the charity were £987,427 (2021: £1,009,469).

Notes to the financial statements

16. Tangible and intangible fixed assets

	Leasehold improvements	Office equipment fittings & furniture	Computer equipment & software	Total
	£'000	£'000	£'000	£'000
Group and Diabetes UK				
Cost				
At 1 January 2022	1,190	335	1,870	3,395
Additions	10	3	619	632
Disposals	(3)	(10)	(310)	(323)
At 31 December 2022	1,197	328	2,179	3,704
Depreciation				
At 1 January 2022	(576)	(190)	(1,332)	(2,098)
Charge for the year	(130)	(34)	(168)	(332)
Disposals	2	10	295	307
At 31 December 2022	(704)	(214)	(1,205)	(2,123)
Net book value				
At 31 December 2022	493	114	974	1,581
At 31 December 2021	614	145	538	1,297

The computer equipment and software category includes £850k (2021: 534k) of intangible assets, and of these £652k (2021: £162k) were assets under construction at year end. All fixed assets are used for or to support charitable purposes. At the year end there were no contracted capital commitments (2021: £NIL).

17. Investments

	2022 £'000	2021 £'000
Group and Diabetes UK		
Market value at 1 January	20,040	19,340
Acquisitions at cost	2,680	1,806
Disposal proceeds	(2,270)	(1,979)
(Loss)/gain on investments	(815)	518
Net movement in short term deposits	(226)	355
Market value at 31 December	19,409	20,040
Represented by:		
Listed securities	6,333	6,856
Property funds	844	771
Bonds	1,621	1,576
Cash	10,611	10,837
	19,409	20,040
Historical cost of investments at 31 December	18,935	18,399

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market price, using the bid price. There were no investments which comprised more than 5% of the total market value of non-cash investments at 31 December 2022.

Notes to the financial statements

18. Debtors: amount falling due within one year

	Group		Diabetes UK	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	67	320	4	84
Donation due from subsidiary undertaking	–	–	206	597
Other amounts due from subsidiary undertakings	–	–	421	288
Other debtors	244	82	242	82
Prepayments	570	582	560	556
Accrued income	2,457	3,633	2,442	3,599
	3,338	4,617	3,875	5,206

19. Creditors: amount falling due within one year

	Group		Diabetes UK	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	1,153	868	1,116	773
Amounts due to subsidiary undertakings	–	–	–	210
Taxation and social security	431	387	431	387
Other creditors	152	46	152	46
Accruals	1,118	1,088	1,102	1,049
Deferred income	833	572	640	429
Research grants creditor	8,083	7,752	8,083	7,752
	11,770	10,713	11,524	10,646

20. Deferred Income

	Group		Diabetes UK	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Balance as at 1 January	572	345	429	313
Income deferred in the current year	968	462	837	325
Release from prior year	(707)	(235)	(626)	(209)
Balance as at 31 December	833	572	640	429

Income received in advance to fund activities due to take place in 2023 has been deferred where this is consistent with the terms of the funding agreement.

21. Provisions for liabilities and charges

	Pensioner Costs £'000	Dilapidation Provision £'000	Total 2022 £'000	Total 2021 £'000
Balance brought forward at 1 January	17	224	241	247
New provision	–	–	–	–
Increase to provision	–	4	4	3
Payments made	(5)	(17)	(22)	(9)
Release of provision	–	(3)	(3)	–
Balance carried forward at 31 December	12	208	220	241

The pensioner cost provision is for future pensioner salaries that are estimated to be fully utilised by 2025. The dilapidation provision provides for the expected cost of returning our rented offices to the condition in which we occupied the properties. This expenditure is a condition of the lease agreements and provisions are expected to be utilised at the end of the lease agreements which range from 2023 to 2027.

Notes to the financial statements

22. Funds

Group – current year

	At 1 January 2022 £'000	Incoming funds £'000	Outgoing funds £'000	Gains £'000	Transfers £'000	At 31 December 2022 £'000
General funds	19,878	34,121	(34,599)	(815)	652	19,237
Diabetes UK Services Limited	–	3,472	(2,959)	–	(513)	–
Pension reserve (see note 30)	(177)	–	–	177	–	–
Total unrestricted funds	19,701	37,593	(37,558)	(638)	139	19,237
Restricted funds						
Research funds	464	2,934	(2,857)	–	(64)	477
Care and information funds	51	957	(887)	–	(75)	46
Geographical funds	84	478	(497)	–	–	65
Children funds	–	30	(30)	–	–	–
Prevention	–	123	(121)	–	–	2
Total restricted funds	599	4,522	(4,392)	–	(139)	590
Total of unrestricted and restricted funds	20,300	42,115	(41,950)	(638)	–	19,827

The research funds represent funds received and used to meet the direct costs of maintaining the research programme. Included within the research funds is £0.6 million of income from the Steve Morgan Foundation who fund the Type 1 Grand Challenges partnership. All income received from the Foundation can only be used to further the aims of the Type 1 Grand Challenge by being spent on approved research grants and specific related costs, and the funds do not provide financial benefit to Diabetes UK in any other way. The full £0.6 million was expensed during the year and funded two research projects, giving a nil net impact on Diabetes UK's overall position.

The care and information funds are restricted to meeting the costs of providing care and information. Included with these funds is £0.2 million from the Steve Morgan Foundation to fund peer support programmes for young people living with type 1 diabetes. As above, all income received from the Foundation can only be used to further the aims of the Our Lives, Our Choices, Our Voices peer support programme, and the funds do not provide financial benefit to Diabetes UK in any other way. The full £0.2 million was expensed during the year, giving a nil net impact on Diabetes UK's overall position.

The geographical funds are restricted to use in specified areas of the UK. The children funds are restricted funds to be used to meet additional cost of holidays, parent/child weekends and other youth activities.

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

Group – Prior year comparative

	At 1 January 2021 £'000	Incoming funds £'000	Outgoing funds £'000	Gains/ (losses) £'000	Transfers £'000	At 31 December 2021 £'000
General funds	19,186	30,832	(31,487)	518	829	19,878
Diabetes UK Services Limited	–	3,930	(3,045)	–	(855)	–
Pension reserve (see note 30)	(1,746)	–	–	1,569	–	(177)
Total unrestricted funds	17,440	34,762	(34,532)	2,087	(56)	19,701
Restricted funds						
Research funds	241	1,990	(1,823)	–	56	464
Care and information funds	4	752	(705)	–	–	51
Geographical funds	77	292	(285)	–	–	84
Children funds	3	19	(22)	–	–	–
Prevention	–	69	(69)	–	–	–
Total restricted funds	325	3,122	(2,904)	–	56	599
Total of unrestricted and restricted funds	17,765	37,884	(37,436)	2,087	–	20,300

Notes to the financial statements

23. Net assets by fund

Total funds are invested as follows:

Current year	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Group			
Tangible and intangible fixed assets	1,581	–	1,581
Fixed asset investments	19,409	–	19,409
Net current liabilities	(1,533)	590	(943)
Provisions	(220)	–	(220)
Total net assets	19,237	590	19,827

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Diabetes UK			
Tangible and intangible fixed assets	1,581	–	1,581
Investments in subsidiary undertakings	40	–	40
Fixed asset investments	19,409	–	19,409
Net current liabilities	(1,591)	590	(1,001)
Provisions	(202)	–	(202)
Total net assets	19,237	590	19,827

Prior year comparative

Group

Tangible and intangible fixed assets	1,297	–	1,297
Fixed asset investments	20,040	–	20,040
Net current liabilities	(1,218)	599	(619)
Provisions	(418)	–	(418)

Total net assets

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Total net assets	19,701	599	20,300

Diabetes UK

Tangible and intangible fixed assets	1,297	–	1,297
Investments in subsidiary undertakings	40	–	40
Fixed asset investments	20,040	–	20,040
Net current liabilities	(1,276)	599	(677)
Provisions	(400)	–	(400)

Total net assets

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Total net assets	19,701	599	20,300

Notes to the financial statements

24. Operating leases – commitments and contracted income

	Property	
	2022 £'000	2021 £'000
Total lease commitments due under non-cancellable operating leases:		
within one year	1,333	1,364
between two and three years	2,420	1,911
between four and five years	342	1,037
after five years	–	–
	4,095	4,312

	Property	
	2022 £'000	2021 £'000
Total lease income due under non-cancellable operating leases:		
within one year	93	158
between two and three years	316	26
between four and five years	26	–
	435	184

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

25. Commitments to spend – research grants

At 31 December 2022, Diabetes UK had entered into contracts in respect of expenditure on research amounting to £15,207,000 (2021: £10,399,000).

These contracts are subject to an annual review process at which future funding is determined. Diabetes UK recognises grant expenditure on an annual basis as explained in note 1.

	Property	
	2022 £'000	2021 £'000
within one year	4,807	4,648
between two and three years	7,787	4,991
between four and five years	2,356	760
six years and beyond	257	–
	15,207	10,399

26. Subsidiary undertakings

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

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

(a) Investment in subsidiary	2022 £'000	2021 £'000
Investment in subsidiary undertakings	40	40

Diabetes UK's investment in BDA Research Limited is £2, being the whole of the issued share capital of that company. BDA Research Limited has net assets and called up share capital of £2 as at 31 December 2022 (2021: £2). Diabetes UK's investment in Diabetes UK Services Limited is 40,003 ordinary shares of £1 each, being the whole of the issued share capital of that company. Diabetes UK Services Limited has net assets and called up share capital of £40,003 as at 31 December 2022 (2021: £40,003).

Notes to the financial statements

(b) Summary of results of consolidated entities

	Diabetes UK 2022 £'000	Diabetes UK Services Limited 2022 £'000	Intercompany Transactions £'000	Total 2022 £'000
Income				
Donations and legacies	34,863	–	(206)	34,657
Other trading activities	350	3,471	(307)	3,514
Income from investments	289	1	–	290
Income from charitable activities	3,654	–	–	3,654
	39,156	3,472	(513)	42,115
Expenditure				
Expenditure on raising funds	(8,770)	(2,318)	–	(11,088)
Expenditure on charitable activities	(30,221)	(641)	–	(30,862)
Donation to Diabetes UK	–	(206)	206	–
Service charge	–	(307)	307	–
	(38,991)	(3,472)	513	(41,950)
Net loss on investments	(815)	–	–	(815)
Actuarial gains on defined benefit pension	177	–	–	177
Net movement in funds	(473)	–	–	(473)

(c) Financial position of consolidated entities

	Diabetes UK 2022 £'000	Diabetes UK Services Limited 2022 £'000	Intercompany Transactions £'000	Total 2022 £'000
Tangible and intangible fixed assets	21,030	–	(40)	20,990
Current assets	10,541	913	(627)	10,827
Creditors due within one year	(11,524)	(873)	627	(11,770)
Provisions	(220)	–	–	(220)
Net assets	19,827	40	(40)	19,827

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

	2022 £'000	2021 £'000
Net income	165	448
Gain/(loss) on sale of investments calculated under the historical cost accounting convention	54	(372)
Surplus under the historical cost accounting convention	219	76

28. Members

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

29. Legacies

The value of legacies notified to the charity but which do not meet the recognition criteria, and so are not accounted for within the financial statements, is approximately £19.1 million (2021: approximately £22.5 million).

Notes to the financial statements

30. Pensions

Defined contribution scheme

The charity contributes towards a defined contribution scheme. The cost of this scheme is charged to the SOFA and amounted to £945,872. (2021: £917,083). The scheme did not give rise to any provision.

British Diabetic Association Pension and Life Assurance Scheme

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

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

A full actuarial valuation was carried out as at 31 December 2019 by a qualified independent actuary in accordance with the scheme funding requirements of the Pensions Act 2004.

The funding of the scheme is agreed between the charity and the trustees in line with those requirements. These in particular require the funding position to be calculated using prudent, as opposed to best estimate, actuarial assumptions. This valuation revealed a funding surplus of £404,000. The next full actuarial valuation as at 31 December 2022 will be available in June 2023.

The results of the most recent formal actuarial valuation as at 31 December 2019 have been updated to 31 December 2022 by a qualified actuary. The fair value of the scheme assets exceed the present value of the scheme liabilities, which are measured by discounting the best estimate of future cash flows, as at 31 December 2022 by £161,000. In accordance with FRS 102 the asset has not been recognised as it will not be realised.

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

	2022 £'000	2021 £'000
Fair value of scheme assets	10,431	15,469
Present value of scheme liabilities	(10,270)	(15,646)
Surplus/(deficit) in scheme	161	(177)
Less asset not recognised	(161)	–
Deficit in scheme shown in the balance sheet	–	(177)

The scheme's position is now a surplus because changes in assumptions have significantly reduced the defined benefit obligation. This is primarily due to a higher discount rate following increases in corporate bond yields. However, this has mostly been offset by market driven falls in the asset value.

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

	2022 £'000	2021 £'000
Scheme liabilities at 1 January	15,646	16,836
Interest cost	277	200
Actuarial gains	(5,204)	(1,036)
Benefits paid	(449)	(354)
Scheme liabilities at 31 December	10,270	15,646

Notes to the financial statements

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

	2022 £'000	2021 £'000
Fair value of scheme assets at 1 January	15,469	15,090
Interest income	274	179
Return on scheme assets, excluding interest income	(4,863)	554
Benefits paid	(449)	(354)
Fair value of scheme assets at 31 December	10,431	15,469

The total return on the scheme assets over the period ended 31 December 2022 was a loss of £4,859,000 (2021: gain of £733,000).

Total expense recognised in SOFA

	2022 £'000	2021 £'000
Interest cost	277	200
Interest income	(274)	(179)
Total expense recognised in SOFA	3	21

Other comprehensive income

	2022 £'000	2021 £'000
Actuarial gain on defined benefit obligation	5,204	1,036
Actual return on assets less interest income	(4,863)	554
Limit on recognition of asset	(161)	–
Total gain recognised in other comprehensive income	180	1,590

30. Pensions (continued)

Assets	2022 £'000	2021 £'000
Equities	2,124	3,196
Diversified growth funds	1,484	4,404
Liability driven investment	1,878	1,836
With profits policy	2,133	2,330
Annuities	2,797	3,679
Cash	15	24
	10,431	15,469

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

The With profits fund value shown in the table for 2021 includes £562,000 disinvested from the With profits fund prior to the accounting date to purchase annuities for members reaching retirement that did not have an annuity in payment at the accounting date and so are not included in the value of annuities above. In 2022 there were no outstanding annuity purchases at the accounting date.

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

Assumptions	2022 % per annum	2021 % per annum
Inflation (RPI)	3.40	3.60
Rate of discount	4.80	1.80
Allowance for pension in payment increases at the lower of RPI or 5%	3.30	3.50
Allowance for revaluation of deferred pensions at the lower of RPI or 5%	2.40	2.60
Allowance for commutation of pension for cash at retirement	80% of HMRC maximum	80% of HMRC maximum

The mortality assumptions adopted at 31 December 2022 are based on the 102% S3PMA and 110% S3PFA CMI Models 2021 [1.25%].

These imply the following life expectancies:

	2022	2021
Male retiring at aged 62 in 2022	24.5	24.5
Female retiring at aged 62 in 2022	26.5	26.5
Male retiring at aged 62 in 2042	25.9	25.9
Female retiring at aged 62 in 2042	28.0	28.0

31. Related party transactions

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

During the year the 2021 gift aid of £597k (2021: £1,318k) was remitted from the subsidiary to the charity, and at 31 December, the subsidiary had a balance of £627k (2021: £855k) owing. This consists of the 2022 gift aid payment (£206k), 2022 service charge (£307k) and the value of the general processing account (£114k).

32. Financial instruments

	2022 £'000	2021 £'000
Financial assets measured at fair value through income and expenditure		
Non cash investments	8,798	9,203
Financial assets measured at amortised cost		
Cash	7,373	5,396
Cash investments	10,611	10,837
Trade debtors	67	320
Other debtors	244	82
Accrued income	2,457	3,633
	20,752	20,268
Financial liabilities measured at amortised cost		
Trade creditors	1,153	868
Other creditors	152	46
Accruals	1,118	1,088
Research grant creditors	8,083	7,752
	10,506	9,754

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

DiABETES UK

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Diabetes UK
Wells Lawrence House
126 Back Church Lane
London E1 1FH

Call 0345 123 2399

Email info@diabetes.org.uk

 /diabetesuk

 @DiabetesUK

diabetes.org.uk

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