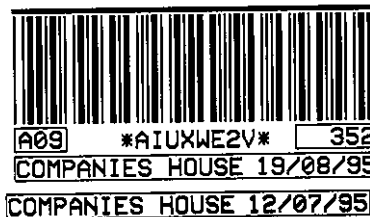


339/81



## Report of the Board of Trustees' for the year ended 31 December 1994

The Board of Trustees of the British Diabetic Association has pleasure in presenting its Report and Accounts for the year ended 31 December 1994.

### Principal aims and activities

The British Diabetic Association's overall aim is to help and care for people with diabetes and those close to them, to represent and campaign for their interests and to fund research into diabetes. These aims are achieved in the following ways:

- helping people who live with diabetes by improving their quality of life
- seeking prevention of and ultimately a cure for diabetes through research and development
- building relationships and servicing membership
- developing all sources of income
- resourcing through information technology and administrative support
- developing and making the best use of the skills of both staff and volunteers

### The BDA supports these activities and aims by:

- providing information about self-management and advice on working with health care professionals. This is achieved through the BDA Careline, BDA publications, Living With Diabetes Days, support of voluntary groups, children's holidays, parent and child weekends and a series of related activities
- campaigning
- setting standards in conjunction with the NHS
- funding excellence in basic and clinical research
- reviewing our services to members and building new relationships through, for example, BDA Insurance Services and Diabetes 2001
- the opening of regional offices

### Organisation

The British Diabetic Association is governed by the Board of Trustees. The Board of Trustees comprises fifteen trustees who are elected by members of the BDA, three voluntary group section trustees elected by representatives of the voluntary groups, and up to a maximum of fourteen ex-officio trustees who are the chairpersons of committees which report to the Board of Trustees. There are fewer medically qualified trustees than non-medically qualified trustees. The Board of Trustees meets four times each year to discuss major policy issues and receive reports from the Management Board. The Management Board consists of twelve members, seven trustees plus five senior executive staff. The committees address specific issues of relevance to people with diabetes, their carers and health care professionals, and make recommendations to the Board of Trustees.

### People

The work of the Association is only possible through the dedicated service it receives from both paid staff and volunteers. The Board of Trustees would like to place on record their appreciation of the hard work and commitment to the charity's objectives of all staff during 1994. The Board of Trustees also acknowledges with gratitude the work of the many volunteers who willingly and unstintingly give of their time to the considerable benefit of the charity and the people it helps.

## Review of activities

### Care, support and education

The BDA continued to play its part in both setting standards of care and helping those who provide care through the NHS. Our *Recommendations for the Management of Diabetes in Primary Care* was sent by the NHS Executive to all commissioners of health care and *Diabetes in Practice* was sent to all General Practitioners in the UK. All those who provide and commission health care at local level were also written to with recommendations on how the Clinical Standards Advisory Group's report on diabetes care should be reflected in the 1995/96 purchasing round.

In 1992, for the first time, a government department, the Department of Health (DH), was linked with a patient organisation in an advisory capacity to form the DH/BDA St Vincent Joint Task Force for Diabetes. The Task Force continued its work on producing guidelines for achieving St Vincent targets on provision of health care and the second report from the Task Force has now been submitted to both the DH and the BDA.

Education is the key to understanding and self-management of diabetes. Improvement in the quality and scope of our educational materials continued with many new publications being issued and over 40 outdated leaflets being withdrawn. A new *School Pack* and magazine for parents, *Your Child and Diabetes*, have been produced, and a colourful newsletter for 13-17 year olds, *On The Level*, has been introduced. The holiday and family weekend programme continues to meet the needs of many children and families of the newly diagnosed group.

A series of *Living With Diabetes* one-day conferences was launched with the first conference and exhibition taking place in Birmingham in January. The days have proved to be a great success with 2,000 people attending twelve events across the country. Health care professional members have given their time to support these days.

### Campaigning

The BDA's *Insulin Campaign* was stepped up during the year. People were encouraged to sign a petition calling for the continued availability of current animal insulins and the introduction of animal insulins in cartridges. We received over 141,000 signatures and the petition has been presented to the three UK insulin manufacturers.

The *Symptoms Campaign* aims to increase the awareness of the symptoms of diabetes among the general public so that those who may not realise they have the condition can be diagnosed. It is thought that there are as many people with undiagnosed non insulin dependent diabetes as there are whose diabetes has been diagnosed. The *Symptoms Campaign* has been run throughout the country and enjoyed much success including the winning of an advertising effectiveness award.

### Research

In 1994, the BDA reviewed 100 research applications for project or group support and awarded 39 of these. This is the highest success rate for a number of years and we look forward to this trend being maintained. We also awarded the first Senior Clinical Research Fellowship, three RD Lawrence Fellowships and five BDA studentships. The availability of Paediatric Research Fellowships has been advertised for the first time.

### Membership and fundraising initiatives

The number of people who are members of the Association continued to grow in 1994. An 8% increase in subscriptions took the membership to over 140,000 for the first time. Although the vast majority of the membership comprises people with diabetes and their families, we also have more than 3,000 health care professional members.

In October, the BDA launched its new insurance service which includes motor, life and travel insurance. It is hoped that this will put an end to the discrimination people with diabetes often experience when trying to purchase insurance.

A major fundraising initiative, Diabetes 2001, was launched and has raised in excess of £1m over the next 4 years to fund new research and care projects and activities.

### Regionalisation

In order to get closer to our members, serve them more effectively and influence health care providers at local level, the BDA's first regional office was opened in Glasgow last May. This was followed by another office in Warrington in the autumn. Two further offices, in the West Midlands and Northern Ireland, will be opened during 1995. Money to fund this expansion will be raised in the regions.

### Twinning projects

In addition to working at local and national level, the British Diabetic Association has also been extending its activities internationally, taking part in a twinning programme with former Soviet block countries. Hoping to influence an improvement in the quality of life for people with diabetes in these countries, the BDA is now twinned with Bulgaria, Ukraine and central Russia. During 1994, various exchange programmes took place, including children attending BDA summer holidays. In the future seminars dealing with a wide range of diabetes care issues will take place in Ukraine and Bulgaria. Health care professionals from the three countries will be attending training in the UK.

### Voluntary groups

There are now 440 voluntary groups throughout the UK. These groups continue to provide information and support to people with diabetes locally. Many also raise funds for the Association and other diabetes services. In all they raised £1.2 million, an increase of 9% over 1993.

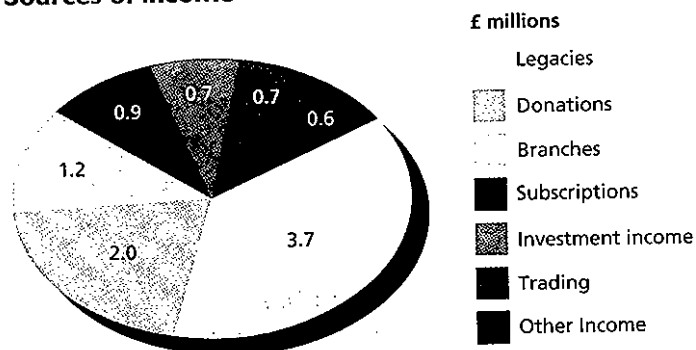
### Financial review

Our income exceeded £9 million for the first time in 1994, representing an increase of almost 13%. In the light of difficult fundraising times, this is an excellent result. It reflects that the Association continues to address the problems of the community with diabetes effectively and was supported for so doing. The continued investment in new fundraising initiatives ensured income continues to grow to meet changing needs and future activities. Legacies and donation income including branches represent almost 70% of the Association's income. Total donations were up by 14.6% over 1993, reflecting the enthusiasm and commitment of our local branches and our individual and corporate members and supporters. Charitable funds were used primarily to support care (including educational material) and research activities in 1994. Support costs include the work of our membership services departments.

Total direct charitable expenditure amounted to £7.8 million, over £500,000 of which was spent by our voluntary groups supporting our members in the local community. Over £3 million was spent on research and £3.3 million on care, representing 31% and 35% of total expenditure respectively. A further £1.5 million was spent providing services to our members, such as *Balance* magazine.

Fundraising costs amounted to 8.2% of total expenditure. This reflects continued investment in order to support our income growth. The Association's administrative costs have remained at 6% of expenditure.

### Sources of income



The results for the year show income in excess of expenditure of £194,000 (1993 - £134,000) for the Association's activities before taking account of investment gains and losses. Gains made when the Association sold investments amounted to about £600,000, however, this was offset by a £2 million fall in the value of the Association's investments in the stock market at the end of the year compared with their value at 31 December 1993.

The format of the financial statements has changed to meet the recommendations that come into effect in 1995. The Association has chosen early implementation since these changes allow us to present our activities more clearly. A key change is to include investments at market value, rather than at cost. This means our reserves show fluctuations that reflect not only our activities for the year, but also movements in the stock market between two specific dates. This is called the unrealised gain or loss on investments. Stock markets can go up or down on a daily basis. The 1993 comparative shows a 'gain', while 1994 shows a 'loss'.

#### **Subsidiary company**

BDA Trading Limited is a subsidiary company of the Association. It trades mainly in Christmas cards and organises the bi-annual lotteries to raise money for the Association. All the profits of BDA Trading are covenanted to the Association.

#### **Fixed assets**

Changes in fixed assets during the year are shown in note 7 to the financial statements.

#### **Charitable donations**

The Association made no charitable donations during the year outside the scope of its own activities. No donations were made for any political purposes.

#### **Statement of the trustees' financial responsibilities**

The Association's trustees are responsible for the preparation of financial statements for each year which give a true and fair view of the state of affairs of the Association and group as at the end of the financial year and of the surplus or deficit of the Association and group for that year. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Association and group will continue their activities

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and group and to enable them to ensure that the financial statements follow best practice. They are also responsible for safeguarding the assets of the Association and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Employment strategy**

The BDA encourages recruitment of the best person for the job regardless of sex, gender orientation, marital status, race, ethnic origin, disability, religious belief or age. Should a situation arise where two shortlisted applicants are thought to be equally suitable for a position and one of them has diabetes the person with diabetes will be offered the position.

The BDA offers the same opportunity to all staff in matters of career advancement, providing that they have the ability to perform their duties with or without training where necessary. In cases when disability is incurred during employment with the Association, retraining will be provided.

#### **Auditors**

The Association's auditors, Kidson Impey, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members at the annual general meeting.

*Signature*

*Signature*

M HIGGINS  
DIRECTOR

## **Report of the Auditors to the members of the British Diabetic Association**

We have audited the financial statements on pages 8 to 17 which have been prepared under the accounting policies set out on page 11.

### **Respective responsibilities of the Board of Trustees and Auditors**

As described on page 6 the Board of Trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

### **Basis of opinion**

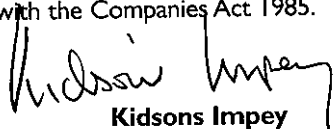
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Trustees in the preparation of the financial statements, and whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In confirming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Association and the group as at 31 December 1994 and of the group income and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**London**  
**4 May 1995**



**Kidsons Impey**  
**Registered Auditors**  
**Chartered Accountants**

# Consolidated Statement of Financial Activities for the year ended 31 December 1994

	Notes	Unrestricted funds £000	Restricted funds £000	Totals 1994 £000	Totals 1993* £000
<b>Incoming resources</b>					
Donations		3,228	-	3,228	2,817
Legacies		3,683	-	3,683	3,372
Subscriptions		838	-	838	761
Other income		564	12	576	396
Net income from trading	4	461	-	461	372
Investment income	5	618	119	737	685
Sales		271	-	271	283
		<b>9,663</b>	<b>131</b>	<b>9,794</b>	<b>8,686</b>
<b>Resources used</b>					
<i>Direct charitable expenditure</i>					
Research		3,007	13	3,020	3,028
Social care		3,334	-	3,334	2,901
Support services		1,499	-	1,499	1,240
	2	<b>7,840</b>	<b>13</b>	<b>7,853</b>	<b>7,169</b>
<i>Other expenditure</i>					
Fundraising & publicity		789	-	789	569
Administrative costs		587	-	587	499
Other expenses		371	-	371	315
		<b>1,747</b>	<b>-</b>	<b>1,747</b>	<b>1,383</b>
<b>Total resources used</b>		<b>9,587</b>	<b>13</b>	<b>9,600</b>	<b>8,552</b>
<b>Net incoming resources</b>	3	<b>76</b>	<b>118</b>	<b>194</b>	<b>134</b>
<i>Gain and (loss) on investments</i>					
Realised		494	99	593	189
Unrealised	8	(1,664)	(340)	(2,004)	1,135
<b>Net movement in funds</b>		<b>(1,094)</b>	<b>(123)</b>	<b>(1,217)</b>	<b>1,458</b>
Fund balances at 1 January		11,468	2,028	13,496	10,822
Cumulative effect of change in accounting policy	1	-	-	-	1,216
<b>Fund balances at 31 December</b>	12,13	<b>10,374</b>	<b>1,905</b>	<b>12,279</b>	<b>13,496</b>

\* Restated

Net incoming resources	194	134
Gain realised on disposal of investments	593	189
<b>Net income for the year</b>	<b>787</b>	<b>323</b>

	Notes	Group		Association	
		1994 £000	1993* £000	1994 £000	1993* £000
<b>Fixed assets</b>					
Tangible assets	7	1,321	1,191	1,321	1,191
Investments	8	10,005	11,121	10,005	11,121
		<u>11,326</u>	<u>12,312</u>	<u>11,326</u>	<u>12,312</u>
<b>Current assets</b>					
Stock	9	177	122	146	99
Debtors	10	562	500	463	366
Cash at bank and in hand		<u>1,474</u>	<u>1,689</u>	<u>1,474</u>	<u>1,689</u>
		2,213	2,311	2,083	2,154
Creditors: amounts falling due within one year	11	(1,260)	(1,127)	(1,130)	(970)
<b>Net current assets</b>		<u>953</u>	<u>1,184</u>	<u>953</u>	<u>1,184</u>
<b>Net assets</b>		<u>12,279</u>	<u>13,496</u>	<u>12,279</u>	<u>13,496</u>
<b>Fund balances</b>					
Unrestricted funds	12	10,374	11,468	10,374	11,468
Restricted funds	13	1,905	2,028	1,905	2,028
<b>Total Funds</b>	14	<u>12,279</u>	<u>13,496</u>	<u>12,279</u>	<u>13,496</u>

\* Restated

Sir Michael Hirst  
Honorary SecretaryMike Higgins  
Honorary Treasurer

# Consolidated Cash Flow Statement for the year ended 31 December 1994

	Notes	1994 £000	1993 £000
Net cash flow from operating activities	<i>a</i>	390	90
Investing activities			
Purchase of tangible fixed assets		(310)	(176)
Proceeds from sale of fixed assets			
Purchase of investments		(6,988)	(3,437)
Proceeds from sale of investments		6,693	3,531
Net cash flow from investing activities		(605)	(82)
Increase in cash and cash equivalents		(215)	8
Cash and cash equivalents at 1 January		1,689	1,681
Cash and cash equivalents at 31 December	<i>b</i>	1,474	1,689

## Notes to consolidated cash flow statement

### *a Reconciliation of changes in resources to net cash inflow from operating activities*

Net incoming resources	194	134
Depreciation	180	122
(Increase) decrease in stocks	(55)	14
(Increase) decrease in debtors	(62)	(94)
Increase (decrease) in creditors	133	(109)
Branch prior year balances received in 1993	-	23
	390	90

### *b Cash and cash equivalents*

Cash at bank and in hand	740	986
Short term deposits	734	703
	1,474	1,689



## **I. Accounting policies**

### **Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards using the historical cost convention adjusted for investments, which are stated at market value.

The financial statements reflect the requirements of the revised Statement of Recommended Practice *Accounting for Charities* (SORP). This Statement is currently under revision and is now expected in its final form in 1995. The Association has complied with best practice at the time of preparing these financial statements and has decided to implement the revised SORP, prior to the mandatory date of 1 December 1995, in order to show clearly its activities in the year. The key changes are the inclusion of a Statement of Financial Activities and the recording of investments at market value. No separate income and expenditure account has been included because the Association has no endowment funds. Comparative figures have been restated to reflect this change.

### **Basis of consolidation**

The consolidated financial statements comprise the British Diabetic Association, its branches and its trading subsidiary, BDA Trading Limited. The net income of BDA Trading, arising mainly from fundraising activities is income received by the Association under covenant and is included in the Statement of Financial Activities. A summarised profit and loss account and balance sheet of BDA Trading Limited is given in note 4. The Association includes the income and expenditure of branches where returns have been made prior to the preparation of consolidated financial statements. Estimates are made for branches where no return has been received.

### **Tangible fixed assets**

The charge for depreciation is calculated to write off fixed assets by equal installments over their expected useful lives. These are estimated to be: fixture, fittings and office equipment 7-10 years, computer software and equipment - 4 or 5 years, cars - 4 years. Leasehold premises are not depreciated since the unexpired term of the lease is more than 900 years, as in the opinion of the trustees, the annual charge would not be material having regard to its economic life.

### **Investments**

Investments are shown at market value, any unrealised gain or loss being transferred to reserves. This represents a change of policy from previous years when investments were shown at cost. Comparative figures for 1993 have been restated to reflect this change in policy.

### **Stocks**

Stocks, which consist mainly of publications, are valued at the lower of cost and net realisable value.

### **Donations, subscriptions and legacies**

Donations, subscriptions and legacies are credited to income when received.

### **Grants payable**

Grants are charged against income in the year in which they are paid.

### **Administrative and staff costs and attributable overheads**

Administrative costs consist of the salaries and attributable overheads of the finance and central administration functions. Other staff costs and attributable overheads are allocated to the activities to

which they relate, reflecting the number of staff involved supporting each activity. Attributable overheads consist of central office costs including rent, rates, insurance and depreciation and the staff costs of the information technology, personnel and office management functions.

### Pension costs

Pension costs for the defined contribution scheme are charged as they become payable. Pension costs for the defined benefit scheme are charged so as to spread the cost of pensions over the employees' working lives with the Association.

### Funds

The Association's general fund consists of funds which the Association may use for its purposes at its discretion.

Restricted funds represent income contributions which are restricted to a particular purpose, usually in accordance with the donor's wishes.

The Association has designated certain funds for specific purposes. These are explained in more detail in note 12.

### 2. Direct charitable expenditure

Research grants to individuals at specific institutions amounted to £2,774,000 (1993 - £2,838,000), of which £13,000 (1993 - £nil) came from restricted funds - the balance from designated funds. The total number of payments to individuals in 1994 was 377 (1993 - 337). A list of grants paid during the year is available on request.

Support services include membership services and certain publicity costs. All other activities, except where specified in the Statement of Financial Activities, are included in social care.

### 3. Net incoming resources

#### Net incoming resources are stated after charging:

	1994 £000	1993 £000
Depreciation	180	121
Auditors' remuneration	12	10
Legal costs (see note 16)	29	40
Non-recoverable VAT	177	75

**4. Net income from trading**

The Association has one wholly owned subsidiary BDA Trading Limited, which is incorporated in the UK and registered in England. BDA Trading Limited covenants its taxable profits to the Association. A summary of its results are shown below. Full accounts have been filed with the Registrar of Companies.

Profit & loss account of BDA Trading Limited for the period ended 31 December

	12 months 1994 £000	21 months 1993 £000
Turnover	534	1,097
Cost of sales	(300)	(555)
Gross profit	234	542
Other operating income	488	318
Distribution costs	(160)	(320)
Administrative expenses	(101)	(168)
Profit on ordinary activities before taxation	461	372
Profits donated to the Association	(461)	(372)
Net income	-	-

Summarised balance sheet of BDA Trading Limited as at 31 December

	1994 £000	1993 £000
Current assets	383	432
Creditors: amounts falling due within one year	(383)	(432)
Net assets	-	-
Called up share capital	-	-

The Association's investment in BDA Trading Limited is in 3 ordinary shares of £1 each, being the whole issued share capital of that company. BDA Trading Limited has net assets and called up share capital of £3.

	1994 £000	1993 £000
<b>5. Investment income</b>		
Listed securities	584	564
Bank and other interest	153	121
	737	685

**6. Staff costs**

	1994	1993
Wages & salaries	1,667	1,426
Social security costs	161	140
Other pension costs	97	139
	1,925	1,694

The average number of employees during the year was 94 (1993 - 86)

**7. Fixed tangible assets**  
**Group & Association**

	Office equipment, fittings & furniture £000	Computer equipment & software £000	Long leasehold property £000	Motor vehicles £000	Total £000
<i>Cost</i>					
1 January	129	475	876	43	1,523
Additions	126	110	4	72	312
Disposals	-	-	-	(9)	(9)
31 December	255	585	880	106	1,826
<i>Depreciation</i>					
1 January	49	263	-	20	332
Charge for year	45	107	-	28	180
Disposals	-	-	-	(7)	(7)
31 December	94	370	-	41	505
<b>Net book values</b>					
<b>31 December 1994</b>	<b>161</b>	<b>215</b>	<b>880</b>	<b>65</b>	<b>1,321</b>
<b>31 December 1993</b>	<b>80</b>	<b>212</b>	<b>876</b>	<b>23</b>	<b>1,191</b>

**8. Fixed assets investments**  
**Group & Association**

	1994 £000	1993 £000
Market value at 1 January	11,121	9,892
Disposals at book value	(6,100)	(3,342)
Acquisitions at cost	6,988	3,436
Net gain(loss) on revaluation	(2,004)	1,135
Market value at 31 December	10,005	11,121
Listed securities	7,891	9,442
Deposits	2,114	1,679
	10,005	11,121

At 31 December 1994 the cost of investments was £9,659,000.

Investments which comprise more than 5% of total market value of investments at 31 December 1994

	£000
Aquila UK Equity Fund Income Units	2,756
Treasury 10% Stock 2001	544
Treasury 11.5% Stock 2001/4	575
Treasury 12.5% Stock 2003/5	610
Deposits: Halifax Building Society	500
Abbey National Building Society	511
BZW Portfolio Management Limited	725

#### 9. Stocks

	Group		Association	
	1994	1993	1994	1993
	£000	£000	£000	£000
Goods for resale	177	122	146	99

Core publications and promotional items are provided free of charge to the public. At 31 December 1994 the cost of these, which is not included above, amounted to approximately £51,000.

	Group		Association	
	1994	1993	1994	1993
	£000	£000	£000	£000
<b>10. Debtors</b>				
Amounts falling due within one year				
Trade debtors	107	180	-	-
Sundry debtors and accrued income	361	100	361	211
VAT and income tax	45	60	53	106
Other debtors	49	160	49	49
	562	500	463	366

#### 11. Creditors

Amounts falling due within one year				
Trade creditors	352	301	-	-
Amounts owed to BDA Trading Ltd	-	-	239	227
Taxation & social security	67	-	59	-
Accruals & deferred income	578	701	576	618
Other creditors	263	125	256	125
	1,260	1,127	1,130	970

**12. Unrestricted funds**

The income funds of the Association include the following designated funds which have been set aside out of the unrestricted funds by the trustees for specific purposes:

	Restated balance at 1 January 1994 £000	Incoming funds £000	Funds used £000	Unrealised loss £000	Transfers £000	Balance at 31 Dec 1994 £000
General fund	6,764	7,076	(5,206)	(1,221)	(1,350)	6,063
Research fund	2,386	1,871	(3,029)	(324)	1,000	1,904
Youth & Family fund	376	274	(610)	(61)	350	329
Care fund	279	176	-	(58)	-	397
Branches fund	1,663	1,227	(1,209)	-	-	1,681
	<u>11,468</u>	<u>10,624</u>	<u>(10,054)</u>	<u>(1,664)</u>	<u>-</u>	<u>10,374</u>

The Research fund is designated to be used to meet the direct costs of maintaining the research programme.

The Youth & Family fund (formerly Children's fund) is designated to be used to meet the additional costs of children's holidays, parent/child weekends and other children's activities.

The Care fund (formerly Banting memorial fund) is designated to help the adult community cope with the onset of diabetes.

The Branches fund represents the consolidation of branch activities and represents cash held by branches on behalf of the Association.

**13. Restricted funds**

The income funds of the Association include restricted funds arising from a legacy held on trust and applied for specific purposes. The Warren Memorial fund is restricted to expenditure used to further the cause of diabetes while commemorating the names of Alec and Beryl Warren.

<b>Warren Memorial fund</b>	<b>£000</b>
Balance at 1 January 1994 as restated	2,028
Net movement in funds	(123)
Balance at 31 December 1994	<u>1,905</u>

**14. Analysis of group net assets between funds**

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Funds balances at 31 December 1994			
Tangible fixed assets	1,321	-	1,321
Investments	8,100	1,905	10,005
Current assets	2,213	-	2,213
Current liabilities	(1,260)	-	(1,260)
Total net assets	10,374	1,905	12,279
Unrealised gains included above on investments	283	63	346

**15. Pensions**

The Association operates defined benefit and defined contribution schemes.

The pension cost relating to the defined benefit scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of this scheme was at 1 January 1994. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of salary increases. It was assumed that the fund will earn an investment yield of 8% per annum and pensionable salaries will increase by 6% per annum.

At the date of the latest valuation the actuarial value of the scheme's assets was £472,000 and the value of these assets represented 88% of the benefits that had accrued to members, after allowing for future increases in earnings.

The assets of the defined contribution scheme are held separately from those of the Association, being invested with an insurance company.

**16. Contingent liabilities**

The Association is presently in dispute with the Diabetic Society Limited regarding their use of a similar name. It is not possible at present to forecast the outcome or quantify the likely cost.

**17. Commitments**

At 31 December 1994 the Association was committed to an expenditure on research grants amounting to £6,294,000 (1994 - £4,128,000). These commitments will be matched from future income streams. A list of grants paid during the year is available on request.

	£000
1995	2,860
1996	1,806
1997	1,028
1998	395
1999 and later	205
	<u>6,294</u>

## Board of Trustees at 31 December 1994

Prof Harry Keen (Chairman)  
 Dr Michael Hall (Vice-Chairman and Co-Chairman of Diabetes Services Advisory Committee)  
 Trevor Guppy (Vice-Chairman and Chairman of Voluntary Groups Section)  
 Sir Michael Hirst (Honorary Secretary)  
 Mike Higgins (Honorary Treasurer)  
 Dr Bill Alexander (Co-Chairman of Diabetes Services Advisory Committee)  
 Ian Ayers  
 Dr Patrick Bell (Northern Ireland Committee)  
 Dr Peter Betts (Children and Young Persons Advisory Committee)  
 Dr David Borse (Welsh Committee)  
 Dr Ian Campbell (Scottish Committee)  
 Pauline Card  
 Dorothy Cartwright  
 Gill Coleman  
 Barbara Elster  
 Bradley Elster  
 Anne Felton  
 Stuart Freel (Membership Advisory Committee)  
 Margaret Hunter  
 Prof Desmond Johnston (Research Committee)  
 Ron McAlpine  
 Dr Ken Paterson (Professional Advisory Committee)  
 Albert Plummer  
 Veronica Readman (Parents' Advisory Committee)  
 Judith Rich OBE (Fundraising and Public Relations Advisory Committee)  
 Dr Sue Roberts (Education Advisory Committee and Education and Professional Care Section)  
 Dr Doreen Rothman  
 Dinah Shortt  
 Prof John Ward (Medical and Scientific Section)  
 Dr Peter Watkins  
*The Committees or Sections of which trustees are chairpersons are given in brackets*

### Management Board

Pauline Card  
 Michael Cooper (Director General)  
 Anne Felton  
 Trevor Guppy  
 Dr Michael Hall  
 Mike Higgins  
 Sir Michael Hirst  
 Prof Harry Keen  
 Louise Luke (Finance Director)  
 Tony Manwaring (Director of Marketing and Public Affairs)  
 Dr Moira Murphy (Research Director)  
 Suzanne Redmond (Director of Care)

### Other directors

Lesley Hallett (Director of Publications)  
 Jeremy Henley (Liason Director)  
 Gerry Kaspers (Director of Information Systems)  
 Veronica Wray (Director of Advertising)