



Kidney Research UK

# Annual report and financial statements.

31 March 2020



kidney disease  
ends here.









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**Cover photo:** Andrew Butler spent over two years training and fundraising for a cross Channel swim, driven to make his mark on kidney disease by his inspirational granddaughter Rosie.

# We are the largest charity dedicated to kidney research in the UK.

## Our vision is:

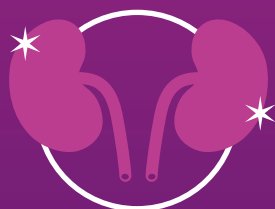
To free lives from the restrictions, fear, anxiety and life-limiting nature of kidney disease.



## Our purpose:



**Prevent kidney disease** by finding ways to see it coming, and developing interventions to stop it happening.



**End kidney failure** by learning how to spot disease early, how to identify and slow down or stop progression, and how to reverse or repair kidney damage.



**Transform treatments** by making dialysis and transplantation more tolerable and effective, until better alternatives are available.



# Improving lives together.

Throughout the year we progressed our ambitious plans for the future, strengthened foundations and focused on improving the prospects for everyone living with kidney disease.

We were proud to see the Nobel prize in physiology or medicine, awarded to Sir Peter Ratcliffe, previously a trustee of the charity and chair of our research grants committee. Sir Peter understands and supports our research, and said: "Time and time again it's proven that a small step, a small gain in knowledge can be used by other people to build a network which ultimately helps patients, and helps transform medicine beyond all recognition."

Transplantation remained a strategic focus for the charity. In partnership with the British Transplantation Society and NHS Blood & Transplant, we established the UK Organ Donation and Transplantation Research Network. By consolidating resources, networks and research activities, it will provide a strong platform to accelerate research and innovation and improve the transplant outcomes for every patient.

We issued 47 new grants in 2019/2020. In addition, as part of taking a new approach, we invested in Kallium Health Ltd, a start-up company developing a hand-held potassium monitoring device, designed to empower patients in their health management. We initially awarded an innovation grant, then a project grant to the research team. The research advanced sufficiently to establish the start-up company and attract significant funding for the next stage of development of the device. The potential benefit of this for patients has become even more important since the outbreak of the pandemic.

Transforming kidney health and improving the lives of those affected by kidney disease is too big a task for anyone on their own. We continue to develop the vibrant and diverse community who will stand with us – including new supporters, patients, funders and decision makers - together we can make it happen. Our growing Team Kidney community will be crucial to help drive change, achieve more investment and raise greater awareness.

The initial effects of the Covid-19 pandemic had a significant impact in the final few weeks of our financial year. We were pleased to achieve close to a break-even result at an operating level, but our overall reserves went down due to the value of our investments falling by close to £1 million. We have a robust reserves policy and are fortunate to have adequate reserves to support our existing research commitments, but the challenges we now face are immense.

We saw, even in March, how those affected by kidney disease were particularly vulnerable in the crisis. The inequalities we had already identified in our 2019 report would become greater as evidence emerged that people from black and ethnic minority communities faced an even greater risk. There is a greater urgency and need for knowledge about kidney disease to be increased, for early diagnosis and swifter intervention to be in place, and for improved treatments and outcomes to be available for all. Our work in the next few years has become more important than ever, and our commitment is even stronger and more steadfast than before.

To the thousands of people who play their part in making the work of the charity so powerful, those who donate, advise, participate, and research, thank you.

**Sandra Currie**  
Chief executive

We aim to provide a platform to accelerate research and innovation and improve outcomes for every patient.





# Our research progress in action.

Our aim is to prevent and slow down kidney disease and stop it in its tracks. By doing this kidney patients' lives will be transformed.

Every new research finding our scientists make takes us one step closer to reaching our goals. Every discovery improves our understanding of kidney disease and how to beat it.

Here is a snapshot of some of the research that was published during the year.



## A new target for nephrotic syndrome treatment

Research led by scientists at the University of Bristol has provided new insights into how a faulty gene leads to a devastating form of a kidney condition called nephrotic syndrome in some people.

Around 1 in 50,000 children are diagnosed with nephrotic syndrome each year and many go on to rely on dialysis or a kidney transplant to survive.

Dr Louise Farmer and her colleagues have discovered that a protein called TRPC6, which controls how calcium enters cells, also acts as an 'anchoring' protein in the kidney, controlling how kidney cells called podocytes move around and maintain the structure of the kidney's filter.

The team found that in some patients with nephrotic syndrome, the anchoring ability of this protein is altered, directly affecting the kidney's filter because it makes podocytes sticky and unable to move. When podocytes cannot move, holes develop in the filter and it cannot stop important proteins from passing through into the urine.

These findings could lead to new ways to prevent or treat the condition, by revealing new targets to intervene earlier in the course of the disease.

## Boosting molecule could prevent kidney blood vessel damage in diabetes

In September, Professor Luigi Gnudi and his team at King's College Hospital, discovered that boosting a molecule called soluble Nogo-B (or sNogo-B) improved kidney disease in diabetic mice, reducing protein loss in the urine and protecting the structure of the kidneys' filters.

Around a third of people with diabetes will develop kidney disease during their lifetime, usually because their blood vessels become damaged. When this happens in the kidney, its filters become impaired, and protein leaks into the urine. This is a dangerous complication of diabetes and leads to many people requiring dialysis or a transplant.

The research team are now studying this molecule in more detail, to work out exactly how sNogo-B works and protects blood vessels in both mice and people with diabetes. They also want to talk to and work with potential industry partners to explore how drugs might be able to target this protective protein.

This finding suggests that designing a drug to boost this molecule could help many people with diabetes to avoid the devastating complication of kidney disease.



## Developing more precise and accurate diagnostic tests

"My team and I have developed an improved blood test to measure the risk of both kidney and heart disease. This blood test gives a more definite diagnosis, which could lead to better health outcomes, and could easily be adopted by the NHS for routine testing.

To check kidney health, doctors usually measure levels of a waste product in the blood called serum creatinine. This molecule naturally builds up as our muscles work. The levels change depending on how well the kidneys are working, and rise if the kidneys aren't working well.

We've put a different chemical in the spotlight: cystatin C. Unlike serum creatinine, cystatin C is produced by all cells in the body, rather than just muscles, and so isn't affected by things like muscle mass or gender.

In our study, we used records from over 400,000 patients in the UK Biobank to look at three different kidney health tests and find out which one most accurately predicted heart disease and the risk of dying earlier.

We found cystatin C predicted risk of heart and circulatory disease, end-stage kidney disease and dying early compared with the more commonly used serum creatinine test.

Testing for cystatin C costs ten times more than serum creatinine – it costs £2.50 per test, compared with 25 pence for a serum creatinine test. Because of this, cystatin C is currently only used in specialised settings (for example, in children) and is not available in all hospitals.

But despite it being more expensive, our study shows that adopting this simple test would mean doctors have a much more precise and accurate test to diagnose kidney disease and predict cardiovascular risk."

**Dr Jennifer Lees**, University of Glasgow



**W**e had no idea if he would survive. We thought kidney disease was something suffered by older people, it was terrifying.

## Baby Roman still fighting after a scary start

"Our son Roman spent most of the first five months of his life in hospital. We have finally come to terms with the shock of his diagnosis and the fact that he'll need a transplant when he's older, but we didn't cope well at first – we were heartbroken.

It was one of the scariest moments of our lives when we were told he had kidney disease.

It is only with hindsight I look at my pregnancy scans and see the hydronephrosis – swollen bladder and kidneys. I'd enjoyed a healthy pregnancy so we had no idea anything was wrong. Had we been prepared it would have certainly helped.

Within days of being born, Roman's kidneys swelled so much that his left kidney collapsed.

He had surgery as they thought it was a valve blocking the urine, but they didn't find the valves they expected, he had to have further tests on his nerves, spine and bladder to see how much fluid needed draining.

It was really scary. It was our first baby and we had no idea what any of this meant for his long-term future.

Blood tests were carried out at lunchtime and by 10pm that day we had the diagnosis. He had bilateral hydronephrosis, VUR reflux (causing his urine to be pushed back up to his kidneys) and chronic kidney disease.

He's on a lot of medication now, but he's so brave – even the blood tests don't bother him now because he's used to it.

He is bright and bubbly, so we feel a lot more relaxed about it.

Support groups have helped us get to grips with it. We know how lucky we are to have Roman. He smiles and laughs all the time. We are grateful that he is still here fighting.

Roman's dad Lee and I will have the tests to see which one of us is the best match to donate a kidney and we'll also have genetic testing to see if kidney disease is an issue for any future children we may have."

**Carrie Harding**





# Gene editing may halt kidney disease in a life-limiting condition.

For the first time scientists have identified how to halt kidney disease in a life-limiting genetic condition, which may pave the way for personalised treatment in the future.

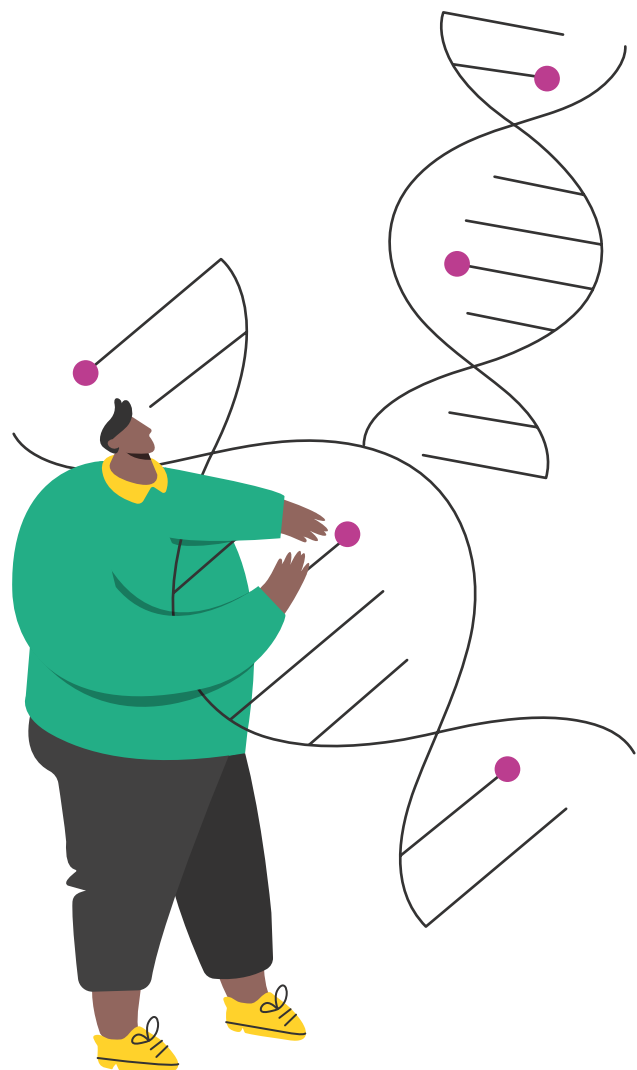
Research by experts at Newcastle University in cells and mice suggests that gene editing could stop kidney damage in patients with Joubert syndrome with a specific faulty gene.

Joubert syndrome is a brain disorder, causing varying degrees of physical, mental and sometimes visual impairments. The condition affects approximately one in 80,000 newborn babies, and one third suffer kidney failure. Not all patients with Joubert syndrome carry the faulty CEP290 gene, but those who do will develop kidney disease during their lifetime and may require a transplant or dialysis.

The Newcastle team have found it is possible to use a strand of engineered DNA to trick the cells' own editing machinery to bypass the CEP290 mutation that causes kidney damage – a technique known as 'exon-skipping'. Professor John Sayer, from the university's Institute of Genetic Medicine, led the research that has been published in the Proceedings of the National Academy of Sciences (PNAS).

He said: "This is the first time that gene editing within the kidney has been performed, even in a mouse model, as the design and delivery of the gene editing to the kidney has previously been thought to be too difficult.

"Our research is a major step forward as we now know how we may be able to offer a therapy that corrects the gene mistake within kidney cells and prevent genetic kidney disease developing. We hope to begin testing this treatment in patients with exon-skipping within the next three years."



The Newcastle team are now exploring the use of exon-skipping therapies in kidney patients by working closely with manufacturers to develop a new treatment.

# Our experts shape the future.

Last year our grants committee reviewed 160 funding applications and identified the strongest research projects that could make the most progress and the biggest difference to patients. We awarded 47 research grants totalling £4.98 million during the year.

Every year making decisions about what we can fund is difficult because the standard is so high. We have to turn down grants with enormous scientific merit, simply because we don't have the money available to fund them.

**The coronavirus pandemic has significantly reduced our income, which means we don't yet know when we will be able to fund new projects.**

This means the hopes riding on projects we are currently funding are bigger than ever before. Here are four of the grants we awarded last year.



## Could genes reveal how to prevent kidney scarring?

Dr Laura Denby hopes to find a way to prevent the scarring that leads to kidney failure.

Through her genetic studies, Dr Denby identified 29 genes that may be involved in renal fibrosis, where the kidneys become scarred and cannot work properly. Some of these genes have never previously been linked to fibrosis – including one called GPR176.

Dr Denby found that GPR176 is inactive in the normal kidney, but very active in injured kidneys and chronic kidney disease. This suggests it could be involved in the scarring process, and may be a potential target for medicines to stop renal fibrosis.

With our funding, Dr Denby and the University of Edinburgh team will explore the exact role of GPR176 in renal fibrosis, and search ways to disrupt it.

## Finding kidney problems earlier in pregnancy

Midwife Katherine Clark aims to improve how we can detect and predict kidney problems in pregnant women.

High blood pressure in pregnancy can lead to acute kidney injury (AKI), where the kidneys suddenly stop working properly. Left undetected, AKI can cause irreversible damage. Doctors diagnose AKI in patients using a blood test to detect raised levels of a chemical called creatinine. But creatinine levels usually fall during pregnancy, seem to depend on ethnicity, and we don't know what the normal range for creatinine in pregnancy is. This means it is harder to judge when there could be a problem.

With our funding, Kings College Hospital-based Katherine will establish what the normal creatinine range is, what levels of creatinine indicate AKI in pregnancy in people with different ethnic backgrounds, and which women are most at risk. She'll also investigate a new way to predict AKI.

This exciting research could be the first step towards a routine test for this dangerous condition in pregnancy.



## Striving to prevent kidney disease running in families

We awarded a grant to University of Manchester scientists to analyse the genetic code – the DNA – in kidney samples from 500 people to understand how and why kidney disease can run so strongly in some families.

Professor Maciej Tomaszewski and his team have discovered genetic variations that predispose people to kidney disease. They now want to understand how this happens.

Using state of the art laboratory and computer analyses they will use the samples to investigate the 'risky' parts of the DNA.

This work could point to new ways to help people with 'high risk DNA' to beat the odds and avoid kidney problems, using medicines or lifestyle changes.

## Searching for ways to fight muscle weakness

Dr Luke Baker from the University of Leicester is investigating how to control persistent inflammation in the muscles of patients, which he believes may cause the debilitating weakness experienced by people with chronic kidney disease.

The research team think that controlling both the compounds that cause and direct inflammation may hold the key to reducing this weakness. They will study whether changing the levels of a group of compounds called specialised pro-resolving mediators – or SPMs – could be a way to treat this muscle weakness. It's possible that, in kidney disease, SPMs become imbalanced and are unable to direct the ending of inflammation, leading to the persistent inflammation seen in chronic kidney disease.

This research will reveal if SPMs could be used as a future therapy to help strengthen the muscles and reduce feelings of extreme tiredness in people with kidney disease.

Most days I don't think about my kidney disease because I usually have next to no symptoms, but some days my mind wanders to my future with it and the reality hits me smack in the face like a truck.



## Facing the future with our family history in mind

"My Dad, my sister and I have autosomal dominant polycystic kidney disease (ADPKD). Dad started going into kidney failure eight years ago. I don't want any of us to have to go through what he has been through. It's a genetic condition where cysts grow on your kidneys. My three younger siblings haven't been tested yet.

Dad had lost his own father to kidney disease when he was just nine years old. But the family told him it only passed through the female line. So he didn't think about it at all, until aged 39, he was applying for a pilot's licence and a medical showed his blood pressure was sky-high.

Once Dad was diagnosed he understood that there was no cure or treatment. His kidney function would gradually decline until the cysts destroyed it completely.

He began dialysis 15 years later; four-hour dialysis sessions three times a week. He was too exhausted between sessions to do the things he loved.

After a long wait on the transplant list, an amazing thing happened. An anonymous living donor came forward out of the blue, and the operation was a success. We couldn't have been more



grateful and were so excited to be able to tell her so in a video call after she responded to my dad's thank you letter.

Life post-transplant has been great for Dad, apart from the expected juggling of medications to get the immunosuppression to the correct levels. Turns out living in a sterile bubble was great preparation for shielding during the coronavirus pandemic.

My sister and I are both in our twenties. Just like our dad, we go into hospital regularly to have our kidney function checked. I'm hopeful that before our kidneys fail, new treatments will be available to control our condition.

My biggest hope is that if my sister and I have our own children one day, they won't have to live with the same fear of kidney disease that my family has for generations."

**Maegan Smith**

# We can't do this without you.

When our ambitions touch people's hearts, their gifts of money and time make our work possible. Now, more than ever, we need this support to ensure our research keeps going.

Last year our work to rally a vibrant movement of people to spread the word and create change for those living with kidney disease moved up a gear. And we have had an amazing response. Our generous supporters helped us raise £9.9 million towards critical research into kidney disease.

In the months before the coronavirus pandemic hit, people took part in events and challenges across the country to raise money and awareness. And many found new ways to help us when the UK went into lockdown. Thank you so much to our committed supporters.

The people, groups and companies below are just a few examples of the growing kidney community stepping up to transform kidney health.

## The loyalty of nearly 8,000 supporters

who have committed to a regular donation raised more than **£605,000** to help fund essential long-term research programmes.



Clara Moretti-Greene was one of 1,300 people who took part in our Bridges Walks in London, Newcastle and Glasgow last year. Clara and 31 of her friends and family walked the iconic route along the Thames together to celebrate her mother's successful transplant and **raised more than £7,000**.

We launched our online Kidney Health Check, helping people to identify whether they could be at risk of kidney disease. Our six-month campaign on social media and in **3,000 GP surgeries saw 19,441 people complete the check** and receive a booklet containing expert guidance on looking after their kidneys.

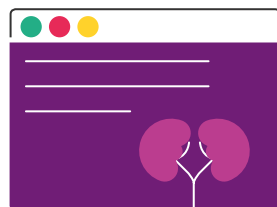


In 2019 we were chosen as the official charity for the popular Scottish cycling event, Tour o' the Borders. Cyclists Tim and Joseph McLean persuaded event firm Hillside Outside to throw their support behind the charity's pioneering research after Tim donated a kidney to his son Joseph. The 2020 event has sadly been postponed, which means we won't be able to raise much-needed funds from it.



**485,471**  
**people**

viewed our improved website, finding out about our research, kidney health and fundraising activities.



People in the village of Stewkley, Bedfordshire, astounded the Grimshaw family with their generosity. Kevin Grimshaw passed away aged just 46, only weeks after a tumour had been discovered on his liver, 17 years after his kidney transplant operation. His wife Jane, daughter Hallie and son Joe set up a Just Giving page in his memory, **raising £6,700**.

## Insurance giant BGL Group turned rubbish into pounds

matching their team's earnings from picking litter at Glastonbury Festival in the summer of 2019, bringing in a **fabulous £6,000 to help us accelerate our discoveries**.

## 720 brilliant supporters set up Facebook fundraisers

to encourage donations from friends and family in their networks. 9,109 people responded with a gift, **raising £138,122 for life-saving research**.



**5,733**  
**extra people**  
**joined**

our social media following, but the biggest gain was the growth in engagement, with more supporters liking, sharing, and responding to our **posts 552,215 times**, a rise of **53 per cent** over one year.



**2,800 kind**  
**people**  
**responded**

to our stories about the research progress being made in labs and hospitals around the UK, donating an amazing £70,000.

## Creating a World Kidney Day wow

We led the UK group going bigger and bolder than ever before on World Kidney Day, ramping up engagement and awareness. We recognised we needed to raise the profile of kidneys and what they do, so people could better look after their own health and understand why healthy kidneys are so vital.

The first step was to broaden the group of UK charities and organisations working on the campaign to strengthen our collective voice, so the Renal Association and the British Renal Society joined us in working with Kidney Care UK, the National Kidney Federation and the PKD Charity.

We created a strong brand, with a strapline to intrigue – the BIG topic everyone's ignoring – to lead into facts and conversations about the kidneys, including the huge emotional and physical impacts of kidney failure. The campaign was developed to enable people to share and personalise, attracting stunning imagery and great engagement on social media.

Interactive events took place across the UK, using the campaign materials to spread the word that **#KidneysMatter**.

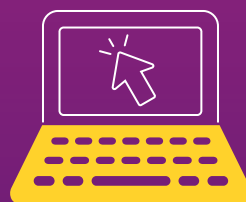
Coming less than two weeks before UK lockdown began, the impact was hampered by the approaching pandemic, with some activities cancelled and media dominated by Covid-19. However, there were many successes.

Our targeted PR strategy combined interesting patient stories with the campaign messages, securing coverage across four regions. Among these was researcher Dr Carl May, who runs our Keep it Renal podcast. He interviewed people in Bristol city centre, where he asked them what they knew about kidneys – and was featured on BBC Radio Bristol.

With the right financial backing, we plan to grow this activity in years to come.

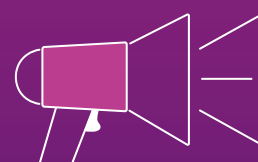
We gained  
**3,668**

campaign website visitors.

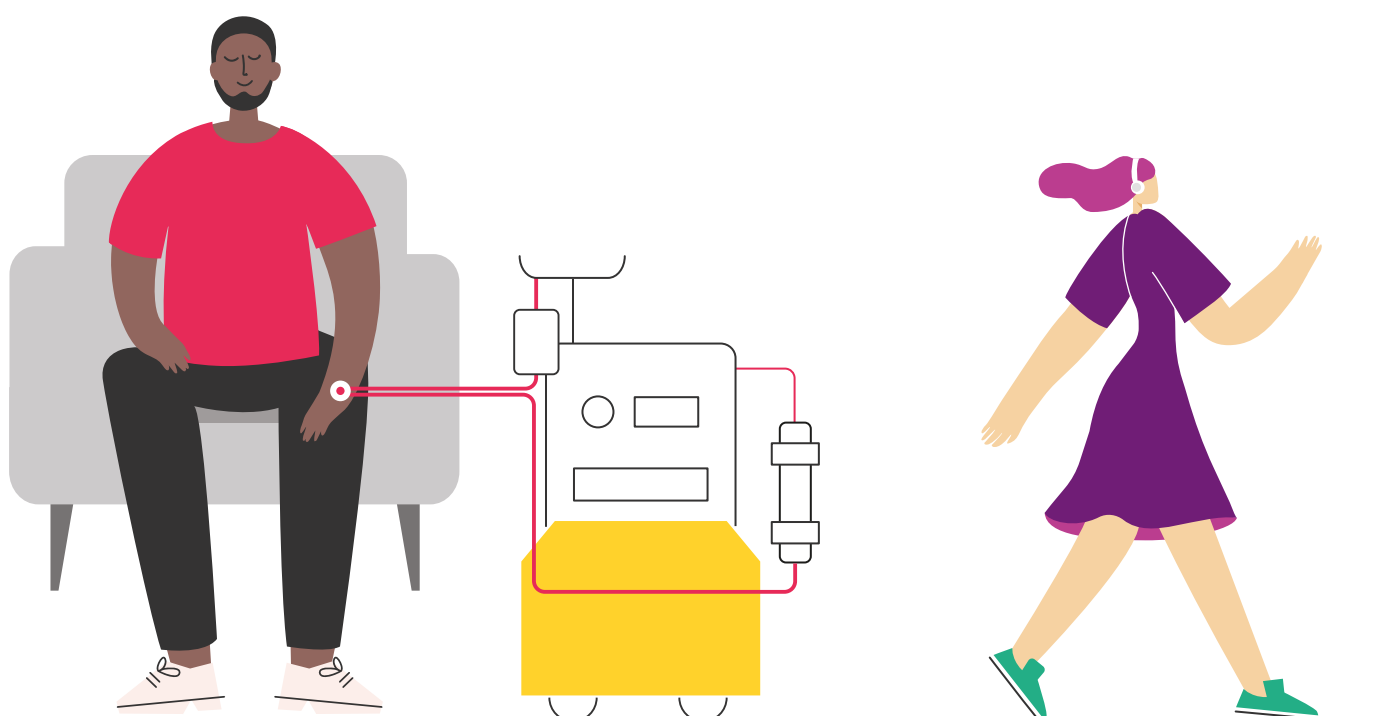


We reached  
**1.16m**

people through the social media campaign.



# Tackling health inequalities.



Addressing kidney health inequalities in the UK is a priority for our organisation following the publication of our report *Kidney Health Inequalities in the UK: an agenda for change* in March 2019.

We established a health inequalities advisory group made up of internal and external experts. Their recommendations will help inform our activities and add to our influence, so we can make sure we use our voice to benefit those affected.

The research community shares our appetite for improvement. We received several applications for research projects addressing health inequalities, and we were able to fund seven of them.

Our peer educators – staff and volunteers from the same cultural background as the communities we want to reach – continue to be successful. This community engagement on topics around kidney health and organ donation is thriving, particularly in Scotland.

## Influencing at a community level

We hosted the first ever Imam's conference in Scotland working with the Scottish Government discussing issues around organ donation in Islam. 35 Imams attended the Glasgow event, hearing leading Muslim scholar Mufti Zabair Butt speak on his research around the issues and the fatwa he wrote.

We are helping NHS Gloucestershire Hospitals Trust to use our peer educator model to engage with ethnic minority communities on organ donation.







Bushra Riaz, our peer educator coordinator in Scotland, received a Community Angel award from support service provider Amina recognising her work raising awareness about kidney disease, health and organ donation within South Asian communities in Scotland.

## Over 1,000 people have been inspired to sign the organ donor register

in Scotland thanks to our work – a great milestone for the sixth year of the peer educator initiative funded by the Scottish Government.

We brought information to thousands of people celebrating the 550th anniversary of the birth of the Sikhism founder Guru Nanak at a huge event at Gravesend Temple. Peer educators including Dr Kiran Sanghera explained the impact of kidney disease on people's lives, especially Asian communities, and the importance of organ donation in the context of Sikhism.



## Covid-19 – an extra threat to kidney health

We are concerned about the long-term implications for survivors of coronavirus. Survivors of severe Covid-19 infections may also face long-term health consequences, even after emergency dialysis in intensive care has ended. Those who have experienced acute kidney injury are at increased risk of developing chronic kidney disease and of their kidneys eventually failing.

We are also deeply concerned about the potential for additional risk in populations already at higher risk from kidney disease. People from ethnic minority backgrounds are 2.5 times more likely to be diagnosed with and die from Covid-19 than white people and some groups have higher rates than others. Our 2019 report into health inequalities showed that people from ethnic minority backgrounds were more likely to progress faster into kidney failure and need dialysis or a transplant.

The complex mix of societal and biological factors contributing to kidney health we identified in our report needs to be compared with those at play with Covid-19. We are committed to addressing these questions with research, and will be seeking support to tackle the lasting risks faced by these vulnerable communities.



# Delivering on our aims.

## How did we do in 2019/2020?

We've made some great progress in many areas this year and wanted to do more in others. This page describes how we've performed against the goals we set.

Launch and start work with a new strategy focused on changing the outcomes for those affected by kidney disease sooner.	✓ <b>YES.</b> Our new strategy was launched and we have begun work on our strategic priorities - transforming treatments, helping people living with several health conditions and building our community. Our focus on reducing health inequalities is in every area of our work.
Invest £6.8m into research across the causes, prevention and treatment of kidney disease in children and adults.	✗ <b>NEARLY.</b> We invested £6.4 million into kidney research, just short of our target.
Accelerate research into leading causes of kidney disease such as diabetes and high blood pressure by continuing to work with other disease specific charities to deliver research collaboratively.	✓ <b>YES.</b> We have been working to develop ways of working more collaboratively with other charities to accelerate research and raise awareness. For example, we agreed we would co-fund future research with the PKD Charity, because polycystic kidney disease (PKD) leads to 1 in 10 cases of chronic kidney disease in the world.
Leverage the most from our relationships and influence with other funders and partners to boost research funding into kidney disease.	✓ <b>YES.</b> We continue to work closely with the Stoneygate Trust and the Garfield Weston Foundation to fund research. We also co-funded a grant with Worldwide Cancer Research and funded our second Daphne Jackson fellowship, which supports people back into a research career.
Ensure the NURTURE biobank completes sample collection for chronic kidney disease and idiopathic nephrotic syndrome and opens access to researchers. Secure funding for other sample types.	✗ <b>NEARLY.</b> We reached our 3,000 target for our chronic kidney disease sample group in June 2019 and our idiopathic nephrotic syndrome group was over halfway towards the 800 target in March 2020. We are still exploring creating new disease groups.
Facilitate year one of the Iron and Muscle study; a clinical trial to identify if giving iron can improve wellbeing in patients with chronic kidney disease who are not yet anaemic or on dialysis.	✓ <b>YES.</b> Patient recruitment commenced in July 2019 and was halfway to target by end of 2019. The coronavirus pandemic has meant this trial will now be delayed by six months.
Advance research areas recommended in our inequalities report and continue our work with at risk communities.	✓ <b>YES.</b> We established a Health Inequalities Advisory Group and we spread the word about health inequalities at the UK Kidney Week annual conference in 2019. Our peer educator projects continue to have an impact – see pages 14 and 15.
Grow the number of people signed up to our online patient community, Kidney Voices, and help more to participate in research.	✓ <b>YES.</b> The number of people signed up to Kidney Voices has more than doubled. We continue to develop our public and patient involvement (PPI) framework and more people are taking part in our research projects.
Raise £11.7 million to fund our work.	✗ <b>NO.</b> This year we raised £9.95 million, despite the Covid-19 pandemic's impact on the charity in the final weeks. Although our income didn't reach the planned level of growth, it increased by 2% on our 2018/19 income.
Invest in future opportunities for raising income and awareness.	✓ <b>YES.</b> We carried out two big awareness raising activities during the year – our 'Keeping Kidney Fit' campaign and the World Kidney Day campaign. We are updating our charity look so we can reach even more people, in response to research to better understand our audiences. And we continue to develop new ways to raise funds.
Invest in our staff and technology to maximise what we can do, including launching a new website.	✓ <b>YES.</b> We invested in Office 365 technology and staff training so we were ready to switch to remote working when the Covid-19 pandemic hit. Our new website launched in 2019.
Ensure that at least 80 pence in every pound we raise is spent on our charitable objectives.	✓ <b>YES.</b> We spent 80 pence in every pound we raise on our work, with 20 pence being spent to help us raise the next pound.



# Keeping research going.

## Looking ahead to 2020/2021

We launched our new charity strategy in early 2020 with ambitious plans to deliver life-changing advances in kidney disease. Our initial plans to drive this strategy forward were significantly disrupted by Covid-19. Existing research was paused, and future income is uncertain.

As we take on the huge challenges, we remain committed to driving the strategy forward. We are also realistic, and the plans for 2020/21 financial year have been carefully revised. The focus of our energy and resources will be on the areas listed below.

- **We will build our community.** We want to attract new people to support the charity with their money, voice and time.
  - This will help us raise £6 million – a disappointing downturn but enough to fund critical work.
  - We will progress our plans to develop our programme of patient and public involvement in research.
- **We will continue to invest in research.** We will honour our existing funding commitments, we will award our paediatric grants round which were peer-reviewed in the spring of 2020, and we will be prepared to adapt and target Covid-19 research where appropriate for kidney patients.
- **We will be ready to get research re-started when the time is right.** This includes the NURTURE and Iron & Muscle studies and providing support for our existing grant holders.
- **We will drive forward the set up and delivery of our strategic priorities.** We'll focus our efforts on transforming treatments and understanding multi-morbidities more, with a continued effort to reduce inequalities that exist for so many. We will keep improving our way of working so that we make faster progress, we are more effective, more efficient and that we emerge stronger from the pandemic.
- **We will ensure we take the opportunity to work with others** where they can support our new strategy and where we can make a big difference to patients.
- **We will continually improve our governance and management,** striving for the excellence that enabled us to come through the first six months of the pandemic as a stable and viable charity.





# Report from the trustees.







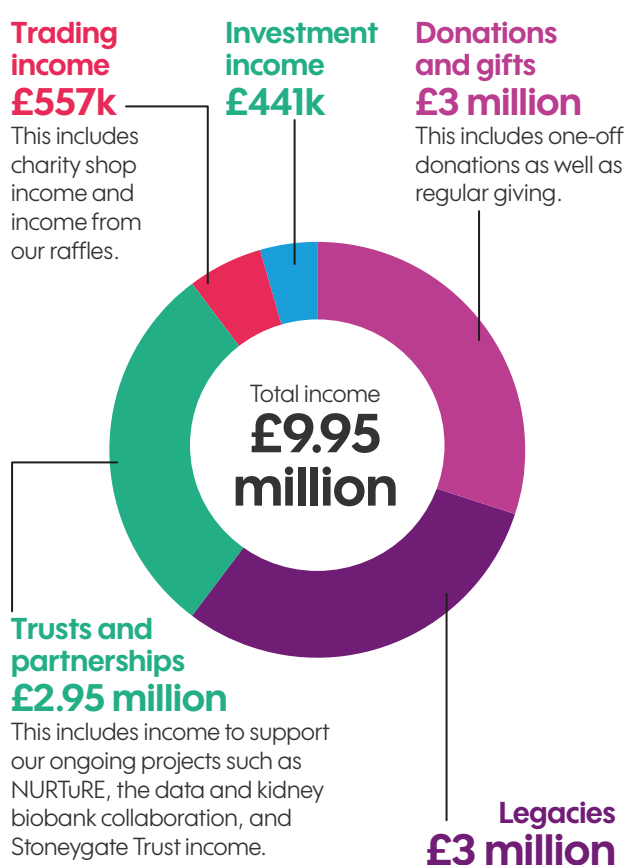
# Financial review.

The initial effects of the Covid-19 pandemic had a significant adverse impact in the final few weeks of the charity's financial year. At an operating level we were pleased to achieve close to a break-even result for the full year, but our overall reserves shrank due to a £989,000 fall in the value of the charity's investments, as at 31 March 2020. While markets remain unsettled, the value of investments has substantially recovered since the year end.

Going forward we anticipate significant uncertainty for both income generation and potential additional costs of restarting activities and research. Trustees are content that the level of the General Fund provides sustainability for the charity to meet its existing commitments. However, new research commitments will be severely curtailed in the coming period.

## Where our income came from

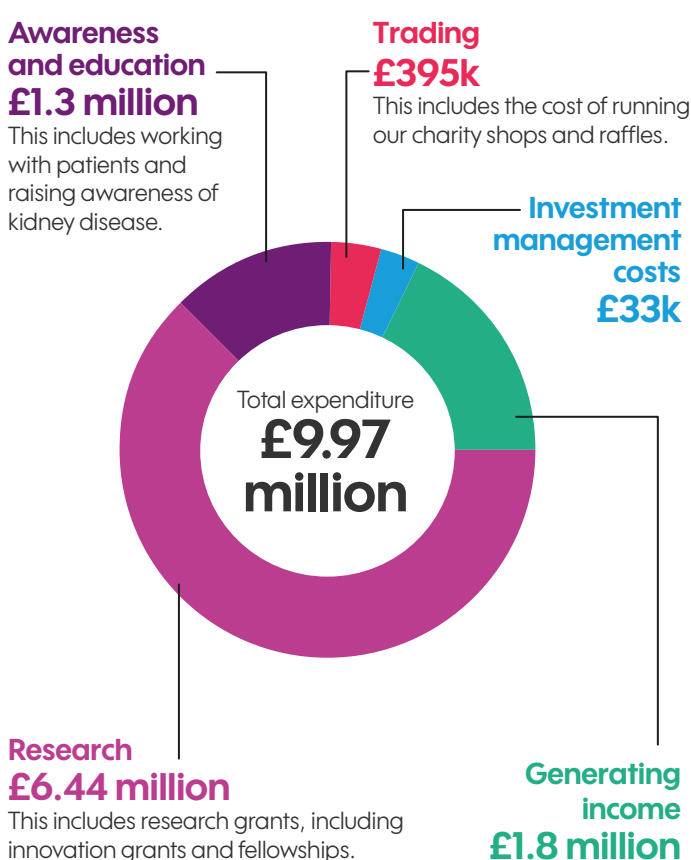
This year our income amounted to £9.95 million. This was achieved despite the impact of the pandemic on the charity in the final weeks. Although income didn't reach the planned level of growth, it increased by 2% on 2018/19.



## Where the money is spent

This year, our total expenditure was £9.97 million, across research, awareness and education, and investing to raise the next pound.

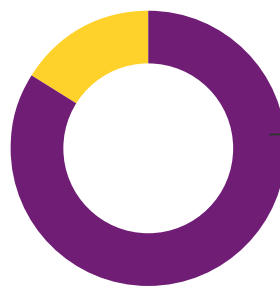
Charitable expenditure reached £7.7 million in the year with an increase of £182,000 in core research spend and a £2.2 million reduction in directed research projects and grants. The previous year saw an exceptionally high level of spend in this area including: paediatric grant awards from the Kids Kidney Research restricted fund, the Iron and Muscle project getting underway, Stoneygate awards and the NURTURE project in a very active phase.





We continuously strive to improve efficiency and to invest as much as possible of each pound in research and raising awareness of kidney disease. We are pleased to report that the pence in the pound was maintained at the 2019 level.

We aim to sustain a high level of financial efficiency, while maintaining and investing in improving our operating standards and sustaining the highest standards of governance.



Pence in the pound invested in research and awareness in 2019/20:

**80 pence**

Pence in the pound invested in research and awareness in 2018/19: 80 pence

## Investments

As at 31 March 2020 the charity's investment portfolio, together with cash deposits, totalled £16.8 million. The portfolio performed strongly until February, when markets around the world suffered a large correction due to the pandemic. Over the full 12 months the investment portfolio posted a total return (capital return plus income generated by the underlying investments) of -5.7%. Although this underperformed the performance target of CPI inflation +3% per annum which was +4.6%; it was ahead both of the composite, passively invested, benchmark which returned -6.3% and the average total return of -7.9% achieved by other charities with similar investment profiles.

Income from the actively managed investments amounted to £351,000, marginally exceeding the income target. However, investment income is likely to fall in the coming year as many companies have, or are planning to, cut their dividends in an effort to bolster their finances.

After suitable due diligence the trustees took the decision to invest in a minority holding in Kalium Health Ltd, a start-up company focussed on developing a hand-held potassium monitoring device, designed to empower patients to manage their health at home. The potential benefit of this innovation has become even more important since the outbreak of the pandemic. The equity investment is the first of its kind for the charity. The charity had previously granted an innovation grant and then a project award to the research team to take the concept and develop the technology. The team was able to advance the research sufficiently to establish a start-up company and to attract significant further funding to advance the development of the device. Patient benefit was the primary reason for the charity to make the investment.

The Kalium business plan shows the potential of a significant financial gain, and if this is realised, it will enable the charity to invest in more research.

At close of business on the 18 September 2020, the investments had a market value of £15,946,358. This represents a rise in the value of £120,966 since 31 March 2020.



## Financial position

The charity had total reserves at the end of year of £7.2 million, of which:

£1.6 million were restricted funds; £1.9 million were designated funds; £3.7 million were general funds. See the Reserves policy below for details. £0.2 million of the charity's funds are held in tangible fixed assets.

## Reserves policy

The charity's policy is to maintain the following reserves:

- Restricted Funds - funds that have been donated to the charity for a specific purpose.
- Designated Funds - funds identified and already committed for expenditure on research, awareness and education, and key operational commitments.
- General Funds - funds available to meet any unforeseen circumstances which the charity may face. The benchmark for the charity's General Funds has been set at 9 to 12 months of operating expenditure, which is intended:
  - a) to cover a period of continuity for key operations in the event of an emergency which stops the charity from generating voluntary income; and
  - b) to cover the eventual winding up costs of the charity, should closure become necessary.

b) to cover the eventual winding up costs of the charity, should closure become necessary.

Due to the impact of the pandemic, 2020/21 holds significant financial uncertainty for income generation and potential additional costs of restarting paused activities and research. In addition, there is uncertainty for the research community in their ability to carry out their work as previously. Trustees have therefore decided to pause research spend in the coming year unless it has already been planned and unless it is Covid-19 related. As a result, Designated Funds at the year-end hold a smaller amount for planned expenditure than in previous years, correspondingly making General Funds higher.

Although 19.6 months of operating expenditure is higher than benchmark, trustees are satisfied and reassured that available cash reserves and General Funds will enable the charity to meet its liabilities when due moving into a period of significant uncertainty.

## Public benefit

When reviewing aims, objectives and planning future activities, the trustees have considered the Charity Commission's guidance on public benefit. The trustees ensure that the charity's activities are in line with the aims of Kidney Research UK.

## Investment policy

Reserves are supported by the charity's investment portfolio which is actively managed by Cazenove Charities. The investment objective is to maximise long term total return while maintaining a level of diversification within an intermediate risk profile. The charity's investment mandate stipulates no direct investment in tobacco-related financial vehicles.

The Finance and Risk Committee reviews the investment mandate regularly and monitors performance and position of the portfolio against agreed benchmarks.

# Structure and governance.

Kidney Research UK is a company limited by guarantee, Company Registration No. 00905963, and is registered with the Charity Commission 252892 (England and Wales) and SC039245 (Scotland). The charity is governed by its Memorandum and Articles of Association. In the event of the charity being wound up, company members must contribute £1. The wholly owned subsidiary company, Kidney Research Enterprises Limited, Company Registration No.2932606 undertakes trading, retail and administrative activities for the benefit of Kidney Research UK.

Kidney Research UK continues to demonstrate its commitment to good governance and continuous improvement. Actions arising from the detailed review of the Charity Governance Code in 2019 have been adopted. This includes the appointment of a vice chair and the formation of a Nominations and Governance Committee.

The Nominations and Governance committee supports the board of trustees in its responsibilities for charity governance standards and appointments to the board, facilitating diversity in the governance structure, and ensuring the right mix of skills and experience. The committee is chaired by the vice chair of the board.

Kidney Research UK remains focused and committed to using the Charity Governance Code as a framework for systematic assessment and improvement of its governance. Assessments will continue, together with a review of progress on actions, currently work is being done to assess the effectiveness of the board.



## People

### Trustees

The following people have been members of our board of trustees during the year:

Trustees	Subcommittee Member	Appointed/retired
Iain Pearson BSc	Chair F&R & RC	Retired (as Chair of F&R 23/09/19)
Professor Jeremy Hughes (Chair) MA MB BS PhD FRCPE	RSC, F&R, RC, NGC	
David Prosser (Vice chair) MSt (Cantab), MA, FCA	Chair F&R & RC, NGC	
Federica Pizzasegola BSc	F&R	
Dr Charles Tomson MA BM BCh FRCP DM	RSC	
Tom Kelly		
Deirdre Jennings BSc, PhD		
Professor Sunil Bhandari MBChB, FRCP, PhD, M Clin Ed	RSC	
Julia Moross ACA		
Dr Jill Norman BSc, PhD	RSC, NGC	
Adrian Akers	F&R	
Dr Adnan Sharif MD MRCP	RSC	
Professor Elizabeth Lightstone MBBS (Hons), MA, PhD, FRCP	RSC, NGC	
Dr David Hughes PhB, MBChB, FRCPCH	RSC	
Professor Caroline Savage MD, PhD, FRCP, FMedSci	RSC	
Angela Watt BA Hons	RSC	Appointed 28/06/19
Dr Allan Davidson BSc, PhD, FCA	F&R	Appointed 09/03/20

### Committee key

**RSC** Research Strategy Committee | **RGC** Research Grants Committee | **F&R** Finance and Risk Committee

**NGC** Nominations and Governance Committee | **RC** Remuneration Committee

The board comprises 16 trustees. This number may increase for a short period to ensure continuity of knowledge between particular outgoing and incoming trustees. Skill mix and length of service are monitored through the Nominations and Governance Committee to ensure we keep a good balance on the board and plan succession in a timely way.

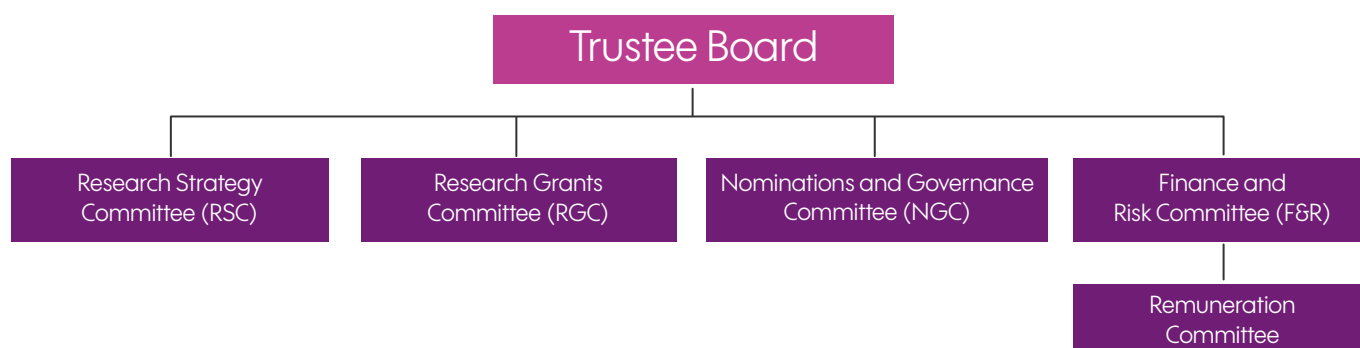
Trustees are encouraged to use their specific skills and experience in the charity and several are members of sub committees of the board. Training is provided throughout their service. All instances where a trustee may have a conflict of interest are recorded and dealt with in a transparent way, in accordance with established procedures. The trustees set the strategy of the charity with the executive directors and wider team, and oversee its implementation.

Trustees initially sit on the board for three years. They can be re-elected for another three years after which they must retire from the board. After a clear minimum gap of three years off the board, trustees may elect them to return for a three-year term – giving a total service to the board of nine years. The three-year gap ensures that the board's membership has sufficiently changed from their previous period of service.

Four sub committees working under terms of reference agreed with the board support the delivery of the strategy.

- The Research Strategy Committee sets the strategy for research funding.

- The Research Grants Committee, made up of both experts in renal science and patients, reviews grant applications under a rigorous peer review process and recommends which research should be funded.
- The Finance and Risk Committee monitors the charity's planning, performance, governance and risk management.
- The Nominations and Governance Committee is responsible for the charity's governance standards and appointments to the board, facilitating diversity in the governance structure, and ensuring the right mix of skills and experience.
- The Remuneration Committee oversees the charity's remuneration policy and its implementation.



A Lay Advisory Committee, made up of kidney patients and other lay members, advises the charity and trustees on issues affecting kidney patients. Under terms of reference agreed by the Board, the committee gets involved in many charity activities including promoting its work to the wider community, providing patient input to public consultations, reaching out to other patient groups, acting as a sounding board for research ideas and plans and representing the charity at events. The committee has between 15 and 25 members.

## Management structure

Four executive directors direct the charity on a day to day basis. During 2019, this team comprised the chief executive and executive directors of: research, innovation and policy; fundraising and communications and finance and operations. The executive directors are supported by head of human resources and heads of teams.

## Remuneration

The charity's policy on remuneration is guided by the following principles:

- Fairness to employees, supporters and patients;
- Recruitment, motivation and retention of the appropriate calibre of staff without paying more than necessary;
- Recognition and reward of contribution to the charity;
- Compliance with current legislation, for example, minimum wage;
- Recognition of best practice in the charity sector including transparency to staff and other stakeholders.

The Remuneration Committee meets at least annually and advises on the remuneration policy of the charity. The committee oversees its implementation by:

- Agreeing the charity's overall approach to remuneration including relative position within the labour market and employee benefits including pension provision, also reviewing the levels of remuneration across the organisation;
- Reviewing from time to time, and at least every three years, pay and benefits trends and benchmark pay rates and benefits, within the voluntary sector;
- Reviewing the annual recommendation from the chief executive for general salary changes;
- Monitoring the remuneration of the executive directors benchmarked against independent external data;
- Agreeing the remuneration of the chief executive in the context of market rates and benchmarks, personal performance, the scope and complexity of the role and affordability.

## Staff development

Continuing from previous years, personal and professional training and development was a goal for 2019/20. We have invested in leadership training across the charity so that managers are better equipped to deliver in their roles and to develop their teams. During the year the team benefited from 124 individual training opportunities. In addition, formal and continuous cyber security training and testing was introduced across the charity after identification of this area as a significant risk to the organisation.

We continue to work with Birdsong Charity Consulting who run our biennial staff survey and help us to work with staff on any areas identified as needing improvement. We are pleased that the results for 2019 show that 99% of our employees are proud to work for Kidney Research UK.

## Grant making

We have a formal and consistent approach applied to grant making in the charity. Research applications for funding are formally peer reviewed by experts in their field. They are then prioritised by quality of science and reviewed by the Research Grants Committee. This committee makes a recommendation for funding to trustees for their review and approval. In all instances where there is a conflict of interest, the committee member is excluded from any discussion and decision.

For more information on our research strategy please refer to our website: [www.kidneyresearchuk.org/research/research-strategy](http://www.kidneyresearchuk.org/research/research-strategy)

## Our fundraising approach

We are extremely appreciative of the lengths all our supporters go to support our fundraising efforts as together, we strive towards better diagnosis, prevention and improved treatment for kidney disease.

The commitment people make to raise funds for us is immense. Some set their own personal challenge, and friends and family support them. Thousands of people give us a regular gift every month through their bank or salary – and often don't want any recognition or acknowledgement. Some people send us a gift on their kidney-versary (the anniversary of their kidney transplant) or on an anniversary in lieu of presents. Every mile our supporters walk, every marathon they run, every mountain they climb, every road they cycle or metre they swim makes a real difference to our work, and every contribution is invaluable.

As a charity, we are committed to the highest standards of fundraising and work

hard to help our supporters to support us in their own, individual ways. Whilst our income is generated from many different sources, we ensure all our fundraising activities adhere to the Code of Fundraising Practice and we are registered with both the Fundraising Regulator and Fundraising Preference Service.

We aim to ensure everyone who gives Kidney Research UK a gift of money, time, donated items or supports us in other ways will receive the best possible experience and to exceed their expectations.

Because our activity covers a wide range of fundraising practices and we engage with thousands of supporters every year, we work with carefully selected partners and ensure we have robust policies in place to ensure our fundraising ethics are adhered to and reinforced through our fundraising volunteers and staff.

We acknowledge that sometimes we don't get things right. Therefore, we encourage supporters to share with us their ideas how we can improve and to raise concerns. We respond to all complaints within two working days and resolve them as soon as possible. We have a robust reporting process enabling us to learn from our supporters where we haven't met their expectations and, where appropriate, improve our fundraising practices. During 2019/20 we received 18 complaints, a very small proportion of the number of engagements we have with our supporters.

## Risk management

We are committed to effective risk management as an integral part of ensuring good charity governance. The Finance and Risk Committee oversees our exposure to risk, ensures that we have adequate risk management systems in place and reports on risk to the full board of trustees. We limit exposure to risks by following recognised good practice in ensuring our compliance with the law and other obligations, having clear and meaningful measures to check progress against our goals and having a risk management structure which enables us to act promptly when necessary.

### Processes in place regarding risk management include:

- A monthly review by the executive directors of risks to the charity as a whole and to significant projects
- Risks identified through this process are recorded in risk registers under the traffic light system to indicate relative level of risk exposure, and allocated to an executive director responsible for mitigating controls/actions



- The Finance and Risk Committee carries out a quarterly review of the risk register, including movement and mitigation plans and actions. This is considered an effective way for trustees to evaluate significant risks to the charity, to establish the degree to which they are controlled and moderated, and to determine necessary action. This is then presented quarterly to the full Trustee board
- The Finance and Risk Committee receives reports and recommendations from our external auditors on the effectiveness of controls and recommendations.

### Principal risks identified and mitigating controls

The principal risks identified derive from the impact of the Covid-19 pandemic on the charity as follows:

- Business continuity - loss of capacity if staff absent or outsourced suppliers affected.

Control – established process and training which enables all staff members to work effectively from home. Pro-active support and management of furloughed and remote working staff. Formalised deputies for committee chairs and executive directors, and an enhanced key person contingency plan created. Additional committee meetings established where required.

- Financial
  - Significant drop in income.
  - Disruption to funded research may lead to additional costs to delivery.
  - Financial uncertainty of funding future research.

Control - Adapt fundraising activity to minimise impact and maintain clear communication with supporters and researchers; model impact of income reduction and additional costs on reserves, cash and capacity and reduce spending and preserve cash and reserves to meet existing commitments until longer-term effects of the pandemic on the charity are more clear.

- Research
  - Uncertainty around completion of already funded research.
  - Research environment impacted by Covid-19

Control - Regular communication with researchers and relevant stakeholders; regular engagement with AMRC, Institute of Fundraising, NCVO and other sector bodies.

Cybersecurity remains a risk for the charity and is controlled by ensuring staff adhere to our continuous and formal programme of training. In addition, systems and processes are regularly updated and our breach detection systems are closely monitored.

# Statement of trustees' responsibilities.

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure, of the 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 Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Each of the trustees confirms that:

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

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

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

The Trustees' report, incorporating the Strategic Report, was approved by the trustees and signed on their behalf by:

*Professor Jeremy Hughes*

**Jeremy Hughes**

Chair

22 September 2020

Kidney Research UK – annual report and financial statements 2019-20 •

# Independent auditor's report to the trustees and members of Kidney Research UK.

## Opinion

We have audited the financial statements of Kidney Research UK for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's net movement in funds, including the 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 regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Basis for opinion

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



## Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement [set out on page 25], 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 group's and the parent 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 group or the parent 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

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

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

## Conclusions relating to going concern

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

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

## Other information

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

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

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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' Annual Report have been prepared in accordance with applicable legal requirements.

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

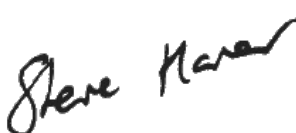
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

## Use of our audit 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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



29 September 2020

**Steven Harper** (Senior statutory auditor)  
for and on behalf of Haysmacintyre LLP, Statutory Auditor  
10 Queen Street Place  
London, EC4R 1AG

# Consolidated statement of financial activities.

(incorporating an income and expenditure account)

Year to 31 March 2020

	Notes	Un-restricted funds £000's	Restricted funds £000's	2020 Total funds £000's	2019 Total funds £000's
<b>Income from:</b>					
Donations and legacies	1	5,937	69	6,006	5,940
Other trading activities	12	557	-	557	665
Investment income	2	441	-	441	436
Income from charitable activities	3	360	2,585	2,945	2,709
<b>Total income</b>		<b>7,295</b>	<b>2,654</b>	<b>9,949</b>	<b>9,750</b>
<b>Expenditure on:</b>					
Cost of raising funds					
. Costs of raising donations and legacies		1,825	-	1,825	1,879
. Fundraising trading: cost of goods sold and other costs		395	-	395	509
. Investment management costs		33	-	33	20
		<b>2,253</b>	<b>-</b>	<b>2,253</b>	<b>2,408</b>
Expenditure on charitable activities					
. Research		4,943	1,493	6,436	8,501
. Awareness and education		1,121	157	1,278	1,093
		<b>6,064</b>	<b>1,650</b>	<b>7,714</b>	<b>9,594</b>
<b>Total expenditure</b>	4	<b>8,317</b>	<b>1,650</b>	<b>9,967</b>	<b>12,002</b>
<b>Net (expenditure) / income for the year before investment gains</b>		<b>(1,022)</b>	<b>1,004</b>	<b>(18)</b>	<b>(2,252)</b>
Net (losses) / gains on investments	11	(989)	-	(989)	371
<b>Net (expenditure) / income for the year</b>		<b>(2,011)</b>	<b>1,004</b>	<b>(1,007)</b>	<b>(1,881)</b>
Transfer between funds		(5)	5	-	-
<b>Net movement in funds</b>		<b>(2,016)</b>	<b>1,009</b>	<b>(1,007)</b>	<b>(1,881)</b>
<b>Reconciliation of funds</b>					
<b>Fund balances brought forward at 1 April 2019</b>		<b>7,603</b>	<b>622</b>	<b>8,225</b>	<b>10,105</b>
<b>Fund balances carried forward at 31 March 2020</b>		<b>5,587</b>	<b>1,631</b>	<b>7,218</b>	<b>8,225</b>

All of the group's activities were derived from continuing operations during the above two financial periods. All recognised gains and losses are included in the above consolidated statement of financial activities. Full prior year comparatives are included in note 24.



# Balance sheet.

As at 31 March 2020

	Notes	Group*		Charity	
		2020 £000's	2019 £000's	2020 £000's	2019 £000's
<b>Fixed assets</b>					
Tangible assets	10	226	313	217	284
Investments	11	8,411	8,699	8,236	8,699
Investments – shares in subsidiary	11	-	-	150	150
<b>Total Fixed Assets</b>		<b>8,637</b>	<b>9,012</b>	<b>8,603</b>	<b>9,133</b>
<b>Current assets</b>					
Stocks		57	36	-	-
Debtors	13	5,288	5,773	5,105	5,606
Investments	11	8,408	9,552	8,408	9,552
Cash at bank and in hand		1,366	2,632	1,319	2,454
<b>Total Current Assets</b>		<b>15,119</b>	<b>17,993</b>	<b>14,832</b>	<b>17,612</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(9,503)	(13,738)	(9,368)	(13,662)
<b>Net current assets</b>		<b>5,616</b>	<b>4,256</b>	<b>5,464</b>	<b>3,950</b>
<b>Total assets less current liabilities</b>		<b>14,253</b>	<b>13,267</b>	<b>14,067</b>	<b>13,083</b>
<b>Creditors:</b> amounts falling due after one year	15	(7,035)	(5,042)	(7,035)	(5,042)
<b>Net assets</b>		<b>7,218</b>	<b>8,225</b>	<b>7,032</b>	<b>8,041</b>
<b>The funds of the charity</b>					
Restricted funds	16	1,631	622	1,631	622
Unrestricted funds					
. Designated funds	17	1,912	5,412	1,912	5,412
. General funds		3,675	2,191	3,489	2,007
<b>Total Charity Funds</b>		<b>7,218</b>	<b>8,225</b>	<b>7,032</b>	<b>8,041</b>

\*These financial statements consolidate the results of the charity and its wholly owned subsidiary, Kidney Research Enterprises Limited. As shown on the charity only statement of financial activities, the net expenditure of the charity was (£1,007,000) (2019 £1,879,000).

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

*Professor Jeremy Hughes*

Jeremy Hughes

Chairman of Kidney Research UK

Company Registration Number: 00905963 (England and Wales)

Approved on: 22 September 2020

# Consolidated statement of cash flows.

Year to 31 March 2020

	Notes	2020 £000's	2019 £000's
<b>Cash flow from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	A	<b>(2,138)</b>	<b>(1,150)</b>
<b>Cash flow from investing activities:</b>			
Dividends and interest from investments		441	436
Purchase of tangible fixed assets		(12)	(29)
Proceeds from the disposal of investments		6,162	1,361
Investment in Kalium Health Ltd		(175)	-
Purchase of investments		(5,091)	(1,331)
<b>Net cash provided by investing activities</b>		<b>1,325</b>	<b>437</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(813)</b>	<b>(713)</b>
<b>Cash and cash equivalents at 1 April</b>	B	<b>7,938</b>	<b>8,651</b>
<b>Cash and cash equivalents at 31 March</b>	B	<b>7,125</b>	<b>7,938</b>

Notes to the statement of cash flows for the year to 31 March 2020.

## A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2020 £000's	2019 £000's
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,007)</b>	<b>(1,881)</b>
<b>Adjustments for:</b>		
Depreciation charge	99	80
Losses (gains) on investments	989	(372)
Dividends and interest from investments	(441)	(436)
(Increase) decrease in stocks	(21)	26
Decrease (increase) in debtors	485	(1,026)
Increase (decrease) in creditors	(2,242)	2,457
<b>Net cash provided by (used in) operating activities</b>	<b>(2,138)</b>	<b>(1,150)</b>

## B Analysis of net funds

	1 April 2019 £000's	Cash flow £000's	31 March 2020 £000's
Cash at bank and in hand	2,632	(1,267)	1,366
Cash held by investment managers (note 11)	5,306	454	5,759
<b>Total cash and cash equivalents</b>	<b>7,938</b>	<b>(813)</b>	<b>7,125</b>



# Principal accounting policies.

31 March 2020

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

## Basis of preparation

These accounts have been prepared for the year to 31 March 2020; the accounts are presented in pounds sterling and are rounded to the nearest thousand.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102 2<sup>nd</sup> edition effective from January 2019) (the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

## Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ♦ estimating the liability for multi-year grant commitments;
- ♦ estimating the probability of the receipt of legacy income and estimating the amount to be received.

## Assessment of going concern

The trustees have assessed the financial position and have concluded there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and the most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information). In relation to the Covid-19 pandemic Trustees are content that the level of the General Fund reserves provides sustainability for the charity to meet its existing commitments. However, new research commitments and operating expenditure will be severely curtailed in the coming months. This is explained more in the trustees report, page 20.

## Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary, Kidney Research Enterprises Limited, on a line by line basis.

# Principal accounting policies.

31 March 2020

## Income recognition

Income is recognised in the period in which the charity has entitlement, the receipt is probable and the amount of income can be measured reliably. Income comprises donations, income from trading activities, income from charitable activities and investment income.

## Donations & legacies

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

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

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

## Donated goods

Donated goods are normally distributed very soon after receipt by the charity. The cost of valuing all donated goods upon receipt by the charity outweighs the benefit to the users of the accounts of providing this information. Consequently, donated goods are included within income when sold or distributed and no value is placed on stock of such items at the year end.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use.

## Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.



# Principal accounting policies.

31 March 2020

## Expenditure recognition

Expenditure comprises direct costs and support costs, accounted for on an accruals basis. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, the costs associated with fundraising trading activity and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include grants and awards made for research and direct and support costs in respect to education and awareness including governance costs.
- ◆ Grants payable by the charity are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.
- ◆ The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments, settlement is probable and the effect of the discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the charity. The effect of discounting is immaterial.
- ◆ The pension charge represents payments to a defined contribution scheme which are charged to the statement of financial activities in the period to which they relate.

All expenditure is stated inclusive of irrecoverable VAT.

## Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs, including staff related costs, and governance costs are apportioned based on the staff time spent on each activity.

# Principal accounting policies.

31 March 2020

## Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

♦ Leasehold land buildings	Over the life of the lease
♦ Computer software and equipment	33.3% per annum based on cost
♦ Fixtures, fittings and equipment	15% per annum based on cost
♦ Office refurbishment cost	10% per annum based on cost

## Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Investments are included within the current assets where it is anticipated that they may need to be utilised to meet grant commitments. Investments equating to 50% of grants payable within one year are therefore included as current assets.

## Unlisted Investments

Where a reliable basis cannot be determined for the fair value of the investment, due to the investment being unlisted, the investment is held at cost less impairment in line with the provisions of section 11 of FRS 102.

## Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

## Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits, with cash placed on deposit for more than one year is disclosed as a fixed asset investment.

# Principal accounting policies.

31 March 2020

## Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. Long term liabilities have not been discounted to the present value of the future cash payments on the basis that such discounting is material.

## Stocks

Stocks for resale are valued at the lower of cost and net realisable value.

## Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. The designated funds are monies or assets set aside out of general funds and designated for specific purposes by the trustees. General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

## Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.



# Notes to the financial statements.

31 March 2020

## 1 Donations and legacies

	Unrestricted funds £000's	Restricted funds £000's	2020 Total £000's
Donations, gifts and appeals	2,889	69	2,958
Legacies	3,048	-	3,048
<b>2020 Total funds</b>	<b>5,937</b>	<b>69</b>	<b>6,006</b>
	Unrestricted funds £000's	Restricted funds £000's	2019 Total £000's
Donations, gifts and appeals	3,023	44	3,067
Legacies	2,837	36	2,873
<b>2019 Total funds</b>	<b>5,860</b>	<b>80</b>	<b>5,940</b>

## 2 Investment income

	Unrestricted funds £000's	Restricted funds £000's	2020 Total £000's
Income from listed investments and cash	362	-	362
Interest receivable	79	-	79
<b>2020 Total funds</b>	<b>441</b>	<b>-</b>	<b>441</b>
	Unrestricted funds £000's	Restricted funds £000's	2019 Total £000's
Income from listed investments and cash	391	-	391
Interest receivable	45	-	45
<b>2019 Total funds</b>	<b>436</b>	<b>-</b>	<b>436</b>

## 3 Income from charitable activities

	Unrestricted funds £000's	Restricted funds £000's	2020 Total £000's
Grants receivable	360	2,585	2,945
<b>2020 Total funds</b>	<b>360</b>	<b>2,585</b>	<b>2,945</b>
2019 Total funds	90	2,619	2,709

# Notes to the financial statements.

31 March 2020

## 4 Analysis of total expenditure

	Grants and project expenditure £000's	Directly allocated costs £000's	Support costs £000's	<b>2020 Total £000's</b>
<b>Cost of raising funds</b>				
Cost of raising donations and legacies	-	1,141	684	<b>1,825</b>
Fundraising trading: costs of goods sold and other costs	-	284	111	<b>395</b>
Investment management costs	-	-	33	<b>33</b>
	-	1,425	828	<b>2,253</b>
<b>Charitable activities</b>				
Research	5,292	578	566	<b>6,436</b>
Awareness and education	234	712	332	<b>1,278</b>
	5,526	1,290	898	<b>7,714</b>
<b>2020 Total funds</b>	5,526	2,715	1,726	<b>9,967</b>
	Grants and project expenditure £000's	Directly allocated costs £000's	Support costs £000's	<b>2019 Total £000's</b>
<b>Cost of raising funds</b>				
Cost of raising donations and legacies	-	1,329	550	<b>1,879</b>
Fundraising trading: costs of goods sold and other costs	-	402	107	<b>509</b>
Investment management costs	-	-	20	<b>20</b>
	-	1,731	677	<b>2,408</b>
<b>Charitable activities</b>				
Research	7,739	292	470	<b>8,501</b>
Awareness and education	166	610	317	<b>1,093</b>
	7,905	902	787	<b>9,594</b>
<b>2019 Total funds</b>	7,905	2,633	1,464	<b>12,002</b>

# Notes to the financial statements.

31 March 2020

## 4 Analysis of total expenditure (Continued)

Support costs have been allocated on the basis of proportioning time spent across charitable activities.

The major components of support costs are as follows:

	Staff costs £000's	Other overheads £000's	2020 Total £000's
CEO/Human resources	362	74	436
Operations	354	768	1,122
Governance	116	52	168
<b>Total support costs</b>	<b>832</b>	<b>894</b>	<b>1,726</b>

	Staff costs £000's	Other overheads £000's	2019 Total £000's
CEO/Human resources	262	78	340
Operations	285	676	961
Governance	111	52	163
<b>Total support costs</b>	<b>658</b>	<b>806</b>	<b>1,464</b>

Significant overhead costs, defined as those in excess of £100,000, comprise of irrecoverable VAT and Head Office rent.

## 5 Grants payable

The charity makes grants to both individuals and institutions in accordance with its grant making policy set out in the trustees' report. A reconciliation of the grants payable and grants commitments figures shown in these financial statements is as follows:

	2020 £000's	2020 £000's	2019 £000's	2019 £000's
Grant commitments at 1 April		18,278		15,507
Commitments made in the year	5,373		7,760	
Adjustments and lapsed grant commitments	(141)		(202)	
Grants payable		5,232		7,558
Grants paid during the year		(7,613)		(4,787)
Commitments at 31 March		15,897		18,278
<b>Commitments at 31 March are payable as follows:</b>				
Within one year (note 14)		8,862		13,236
After more than one year (note 15)		7,035		5,042
		15,897		18,278



# Notes to the financial statements.

31 March 2020

In the year, 63 grant-funded research applications were awarded to institutions, an analysis by host institution with details of the grants awarded during the year, forming part of these audited financial statements, can be found on the Charity's website at <https://www.kidneyresearchuk.org/about-us/annual-review-and-accounts> (2019 – 88)

## 6 Net expenditure for the year

This is stated after charging:

	2020 Total £000's	2019 Total £000's
Staff costs (note 7)	2,465	2,248
Auditors' remuneration		
. Statutory audit services	17	16
. Other services	2	2
Depreciation	99	87
Irrecoverable VAT	132	163

## 7 Employment costs

Employment costs during the year were as follows:

	2020 £000's	2019 £000's
Wages and salaries	2,019	1,865
Social security costs	193	176
Other pension costs and salary sacrifice	253	207
	2,465	2,248

New roles created in the year were: an Executive Director of Research, Innovation and Policy to provide strategic leadership for all research activities; a Research Communications Manager, Social Media Lead and Patient Involvement Manager to increase the reach of the research supported by the charity.

The figures above include redundancy and termination payments of £13,583 (2019: £11,430)

The average number of employees and average full-time equivalent during the year, analysed by time expended on the following activities, was as follows:

Group & Charity:	Ave Headcount 2020 Number	Ave Headcount 2019 Number	Ave FTE 2020 Number	Ave FTE 2019 Number
Generation of funds	37	42	32	35
Charitable activities				
. Research	15	10	14	9
. Awareness and education	16	14	14	12
Governance	1	1	1	1
	69	67	61	57

# Notes to the financial statements.

31 March 2020

## 7 Employment costs (continued)

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2020 Number	2019 Number
£60,000 - £70,000	1	-
£70,001 - £80,000	3	4
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Executive Management Team of four, a smaller team than in previous years (see Trustees Report). The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £333,599. (2019 - £662,308).

## 8 Trustees' expenses and remuneration

None of the trustees received remuneration in respect of their services as trustees during either year. During the year ended 31 March 2020 out of pocket travelling expenses amounting to £3,718 (2019 - £4,225) were reimbursed to 8 (2019 - 10) trustees. During the year the Chief Executive was reimbursed expenses totalling £1,108 (2019 - £1,454).

In accordance with normal commercial practice, the charity has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on charity business. The insurance policy provides cover up to £1 million (2019 - £1 million) and the cost for the year ended 31 March 2020 was £442 (2019 - £390).

## 9 Taxation

Kidney Research UK is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary, Kidney Research Enterprises Limited, donates its taxable profits, if any, to Kidney Research UK each year (note 11) under deed of covenant.

# Notes to the financial statements.

31 March 2020

## 10 Tangible fixed assets

Group	Leasehold land and buildings £000's	Computer software & equipment £000's	Fixtures, fittings & equipment £000's	Totals £000's
<b>Cost</b>				
At 1 April 2019	143	176	129	448
Additions	3	8	1	12
Disposals	(10)		(6)	(16)
At 31 March 2020	136	184	124	444
<b>Depreciation</b>				
At 1 April 2019	19	91	25	135
Charge for year	15	46	22	83
At 31 March 2020	34	137	47	218
<b>Net book values</b>				
At 31 March 2020	102	47	77	226
At 31 March 2019	124	85	104	313

Charity	Leasehold land and buildings £000's	Computer software & equipment £000's	Fixtures, fittings & equipment* £000's	Total £000's
<b>Cost</b>				
At 1 April 2019	122	175	109	406
Additions	3	9	-	12
At 31 March 2020	125	184	109	418
<b>Depreciation</b>				
At 1 April 2019	13	91	18	122
Charge for year	13	46	20	79
At 31 March 2020	26	137	38	201
<b>Net book values</b>				
At 31 March 2020	99	47	71	217
At 31 March 2019	109	84	91	284

Leasehold, fixtures, fittings and equipment includes assets with a net book value of £ 223,125 at 31 March 2020 (2019: £246,668) in relation to office refurbishment. These assets are depreciated over a period of ten years as set out in the accounting policies.



# Notes to the financial statements.

31 March 2020

## 11 Investments

Group	2020 £000's	2019 £000's
<b>Listed investments</b>		
Market value of listed investments at 1 April	12,945	12,604
Additions at cost	5,091	1,331
Disposals at book value (proceeds: £6,162k ; realised gain: (£121k)	(6,041)	(1,278)
Net unrealised investment (losses) gains	(1,110)	288
Market value of listed investments at 31 March	10,885	12,945
<b>Cash held by investment managers for re-investment</b>	4,947	4,500
<b>Cash held on deposit</b>	812	806
<b>Unlisted Investment</b>		
Kalium Health Ltd Investment	175	-
	16,819	18,251
<b>Charity</b>		
Shares in subsidiary undertaking	150	150
	16,969	18,401
<b>Cost of listed investments at 31 March</b>	11,819	12,442

Allocated as follows:

	2020 £	2019 £
Fixed asset investments	8,411	8,699
Current asset investments	8,408	9,552
	16,819	18,251

During the year ended 31 March 2020, Kidney Research Enterprises Limited made an investment of £174,944 in Kalium Health Ltd to support research into potassium monitoring technology. The shares are unlisted, and the Directors consider that it is not possible to reliably determine the fair value of the investment. At 31 March 2020, no impairment has been identified by the Directors and accordingly the investment is held at cost in the balance sheet.

## 12 Shares in subsidiary undertaking

The charity has one wholly owned subsidiary, Kidney Research Enterprises Limited (Company number:00905963), which is incorporated in England and Wales. At 31 March 2020 Kidney Research UK owned the entire called up ordinary share capital of 334,500 ordinary £1 shares in Kidney Research Enterprises Limited. At 31 March 2020, the aggregate of the share capital and reserves of Kidney Research Enterprises Limited amounted to £334,500 (2019 - £334,500).

# Notes to the financial statements.

31 March 2020

## 12 Shares in subsidiary undertaking (continued)

The subsidiary's principal activity is to undertake trading and retail activities for the benefit of Kidney Research UK. Kidney Research Enterprises Limited donates its taxable profit, if any, to Kidney Research UK. A summary of the subsidiary's results is shown below. Audited financial statements will be filed with the Registrar of Companies.

	2020 Total £000's	2019 Total £000's
<b>Profit and loss account</b>		
Turnover	557	665
Expenses	(395)	(509)
Net profit	162	156
Other interest receivable and similar income	-	-
Profit for the financial year before taxation	162	156
Taxation	-	-
Payment under Gift Aid scheme to Kidney Research UK	(162)	(156)
Profit for the financial year	-	-
Accumulated losses at 1 April	-	-
Accumulated losses at 31 March	-	-

The trustees are satisfied that the activities of the subsidiary are essential to the charity; for the acquisition of new supporters and volunteers through the lottery, events and retail products, for obtaining donations, which are reflected in the financial statements of the charity and for providing administration operations.

## 13 Debtors

Group	2020 £000's	2019 £000's
Taxation recoverable	52	67
Legacies receivable	3,228	2,525
Trade debtors	224	1,082
Other debtors	1,542	1,787
Prepayments and accrued income	242	312
	<b>5,288</b>	<b>5,773</b>
<b>Charity</b>		
Taxation recoverable	30	52
Legacies receivable	3,228	2,525
Trade debtors	172	1,049
Other debtors	1,542	1,787
Prepayments and accrued income	133	193
Amount owed by subsidiary undertaking	-	-
	<b>5,105</b>	<b>5,606</b>

Included within other debtors is a total of £ 977,918 (2019 - £894,288) which relates to grant debtors receivable after one year.

# Notes to the financial statements.

31 March 2020

## 14 Creditors: amounts falling due within one year

	2020 £000's	2019 £000's
<b>Group</b>		
Expense creditors	247	108
Social security and other taxation	76	67
Grants payable (note 5)	8,862	13,236
Taxation payable	14	-
Other creditors	136	225
Accruals and deferred income	168	102
	<b>9,503</b>	<b>13,738</b>
<b>Charity</b>		
Amount owed to subsidiary undertaking	212	127
Expense creditors	11	10
Social security and other taxation	76	67
Grants payable (note 5)	8,862	13,236
Taxation payable	14	-
Other creditors	136	164
Accruals and deferred income	57	58
	<b>9,368</b>	<b>13,662</b>

Included within the above is deferred income as set out below:

	2020 £000's	2019 £000's
Deferred income brought forward at 1 April 2019	-	175
Additional income deferred during the year	3	-
Brought forward funds released in the year	-	175
Deferred income carried forward at 31 March 2020	<b>3</b>	<b>-</b>

Income is deferred when it is received in advance of the conditions for recognising income having been met.

## 15 Creditors: amounts falling due after more than one year

	2020 £000's	2019 £000's
<b>Group and Charity</b>		
Grants payable (note 5)	<b>7,035</b>	<b>5,042</b>



# Notes to the financial statements.

31 March 2020

## 16 Restricted funds

The income funds of the charity include restricted funds comprising the following donations and grants to be applied for specific purposes:

	At 1st April 2019	Income	Expenditure / transfers & grants committed	At 31st March 2020
	£'000	£'000	£'000	£'000
eGFR graphs for early identification of chronic kidney disease (ASSIST-CKD)				
. Health Foundation	(9)	14	(14)	(9)
Organ Donation Awareness Project				
. Scottish Government	1	9	(20)	(10)
Making Every Kidney Counts (MEKC)	(746)	250	396	(100)
The Renal Association	(11)	10	(10)	(11)
Iron & Muscle Study				
. Vifor Inc	(268)	413	(521)	(376)
<b>Restricted funds in deficit</b>	<b>(1,033)</b>	<b>696</b>	<b>(169)</b>	<b>(506)</b>
Specialist Registrar (SpR) Club Meeting	(2)	14	(6)	6
Kids Kidney Research Merger	181	69	(4)	246
Research & Innovation Grants				
. John Feehally / Stoneygate	-	516	(516)	-
NuRTURE - Undisclosed Pharmaceutical funding via National Renal – Translation Research Enterprise – Collaboration	1,124	1,200	(664)	1,660
Masonic Trust	172	-	(96)	76
Corporate Manager	-	30	(30)	-
Nottingham Kidney Trust	13	9	-	22
World Kidney Day *	8	22	(30)	-

# Notes to the financial statements.

31 March 2020

## 16 Restricted funds (continued)

Answers for aHus Campaign	89	-	(10)	79
Fellows Day & Alumni *	40	51	(59)	32
Northern Counties Kidney Research Fund	23	23	(46)	-
Various: below £10,000	7	27	(18)	16
<b>Restricted funds in surplus</b>	<b>1,655</b>	1,961	(1,479)	2,137
<b>Total Restricted Funds</b>	<b>622</b>	2,657	(1,648)	1,631

\* please refer to Kidney Research UK website for further details. <https://www.kidneyresearchuk.org/about-us/annual-review-and-accounts>

The above figures represent only the restricted element of grant funding utilised in the year. Additional amounts may have been reflected as unrestricted income or as deferred income or may be utilised in previous/future years.

## 17 Designated funds

	At 1 April 2019 £000's	New designations £000's	Released/ utilised in year £000's	At 31 March 2020 £000's
Research and Awareness Fund	5,377	1,567	(5,067)	1,877
Property Fund	35			35
	<b>5412</b>	1,567	(5,067)	<b>1,912</b>

The Research and Awareness Fund represents monies which have been set aside from unrestricted funds by the trustees for research project commitments

The Property Fund represents monies set aside by the trustees to meet end of lease expenses and expenditure on properties.

# Notes to the financial statements.

31 March 2020

## 18 Analysis of net assets between funds

Group	Unrestricted funds £000's	Restricted funds £000's	Total 2020 £000's
<b>Fund balances at 31 March 2020 are represented by:</b>			
Tangible fixed assets	226	-	226
Fixed asset investments	8,411	-	8,411
Current assets	7,837	7,282	15,119
Creditors: amounts falling due within one year	(5,417)	(4,086)	(9,503)
Creditors: amounts falling after one year	(6,186)	(849)	(7,035)
<b>Total net assets</b>	<b>4,871</b>	<b>2,347</b>	<b>7,218</b>

The total unrealised gains as at 31 March 2020 constitute movements on revaluation and amount to £2,201,000 (2019: £2,533,000)

Charity	Unrestricted funds £000's	Restricted funds £000's	Total 2020 £000's
<b>Fund balances at 31 March 2020 are represented by:</b>			
Tangible fixed assets	217	-	217
Fixed asset investments	8,386	-	8,386
Current assets	7,550	7,282	14,832
Creditors: amounts falling due within one year	(5,282)	(4,086)	(9,368)
Creditors: amounts falling after one year	(6,186)	(849)	(7,035)
<b>Total net assets</b>	<b>4,685</b>	<b>2,347</b>	<b>7,032</b>

The total unrealised gains as at 31 March 2020 constitute movements on revaluation and amount to £ 2,385,000 (2019 - £2,687,000).



# Notes to the financial statements.

31 March 2020

## 19 Operating leases

At 31 March 2020 the charity had total future minimum commitments under non-cancellable operating leases as follows:

Group	Land and buildings	
	2020 £000's	2019 £000's
Operating lease payments which fall due:		
Within one year	176	189
Between two and five years	636	529
Thereafter	238	357
	<b>1,050</b>	<b>1,075</b>

Charity	Land and buildings	
	2020 £000's	2019 £000's
Operating lease payments which fall due:		
Within one year	119	119
Between two and five years	477	477
Thereafter	238	357
	<b>834</b>	<b>953</b>

## 20 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

## 21 Pensions

The charitable company operates a defined contribution pension scheme. During the year contributions totalling £253,312 (2019 -£206,658) were made, with £21,782 (2019 -£18,683) payable at the year end.

## 22 Related Party Transactions

During the year donations of £5,561 (2019 £12,578) were received from trustees.

Grants awarded to a trustee or an institute with which they are related are highlighted as follows:

Trustee	Institute	Amount
Dr Adnan Sharif	Birmingham University	£124,026
Dr Charles Tomson	Newcastle University	£54,965
Dr Jill Norman	University College London	£581,586
Prof Jeremy Hughes	Edinburgh University	£1,165,999
Prof Elizabeth Lightstone	Imperial College London	£2,000

Transactions between Kidney Research UK and its wholly owned trading subsidiary, Kidney Research Enterprises Limited are determined by an agreed methodology of inter-company recharges based on the resources available across both entities. At the end of each financial year, Kidney Research Enterprises Limited transfers all of its profits to Kidney Research UK by way of gift aid.

There were no other related party transactions in the year which require disclosure (2019 - none).

# Notes to the financial statements.

31 March 2020

## 23 Charity statement of financial activities. Year to 31 March 2020

	Notes	Un-restricted funds £000's	Restricted funds £000's	2020 Total funds £000's	2019 Total funds £000's
<b>Income from:</b>					
Donations and legacies	1	5,937	69	6,006	5,940
Other trading activities	12	162	-	162	156
Investment income	2	441	-	441	436
Income from charitable activities	3	360	2,585	2,945	2,710
<b>Total income</b>		<b>6,900</b>	<b>2,654</b>	<b>9,554</b>	<b>9,242</b>
<b>Expenditure on:</b>					
Cost of raising funds					
. Costs of raising donations and legacies		1,825	-	1,825	1,879
. Fundraising trading: cost of goods sold and other costs		-	-	-	-
. Investment management costs		33	-	33	20
		<b>1,858</b>	<b>-</b>	<b>1,858</b>	<b>1,899</b>
Expenditure on charitable activities					
. Research		4,943	1,493	6,436	8,501
. Awareness and education		1,121	157	1,278	1,093
		<b>6,064</b>	<b>1,650</b>	<b>7,714</b>	<b>9,594</b>
<b>Total expenditure</b>	4	<b>7,922</b>	<b>1,650</b>	<b>9,572</b>	<b>11,493</b>
<b>Net (expenditure) / income for the year before investment gains</b>		<b>(1,022)</b>	<b>1,004</b>	<b>(18)</b>	<b>(2,251)</b>
Net (losses) / gains on investments	11	(989)	-	(989)	372
<b>Net (expenditure) / income for the year</b>		<b>(2,011)</b>	<b>1,004</b>	<b>(1,007)</b>	<b>(1,879)</b>
Transfer between funds		(5)	5	-	-
<b>Net movement in funds</b>		<b>(2,016)</b>	<b>1,009</b>	<b>(1,007)</b>	<b>(1,879)</b>
<b>Reconciliation of funds</b>					
<b>Fund balances brought forward at 1 April 2019</b>		7,417	622	8,039	9,920
<b>Fund balances carried forward at 31 March 2020</b>		5,401	1,631	7,032	8,039

# Notes to the financial statements.

31 March 2020

## 24 Prior year Statement of Financial Activities 31 March 2019

	Notes	Un-restricted funds £000's	Restricted funds £000's	2019 Total funds £000's	2018 Total funds £000's
<b>Income from:</b>					
Donations and legacies	1	5,860	80	5,940	6,763
Other trading activities	12	665	-	665	799
Investment income	2	436	-	436	400
Income from charitable activities	3	90	2,619	2,709	2,970
<b>Total income</b>		<b>7,052</b>	<b>2,699</b>	<b>9,750</b>	<b>10,932</b>
<b>Expenditure on:</b>					
Cost of raising funds					
. Costs of raising donations and legacies		1,879	-	1,879	1,671
. Fundraising trading: cost of goods sold and other costs		509	-	509	561
. Investment management costs		20	-	20	28
		<b>2,408</b>	<b>-</b>	<b>2,408</b>	<b>2,260</b>
Expenditure on charitable activities					
. Research		4,761	3,704	8,501	8,179
. Awareness and education		966	127	1,093	1,172
		<b>5,727</b>	<b>3,867</b>	<b>9,594</b>	<b>9,351</b>
<b>Total expenditure</b>	4	<b>8,135</b>	<b>3,867</b>	<b>12,002</b>	<b>11,611</b>
<b>Net (expenditure) / income for the year before investment gains</b>		<b>(1,084)</b>	<b>(1,168)</b>	<b>(2,252)</b>	<b>(679)</b>
Amounts received on merger with Kids Kidney Research		-	-	-	993
Net (losses) / gains on investments	11	371	-	371	(136)
<b>Net (expenditure) / income for the year</b>		<b>(713)</b>	<b>(1,168)</b>	<b>(1,881)</b>	<b>178</b>
Transfer between funds		(10)	10	-	-
<b>Net movement in funds</b>		<b>(723)</b>	<b>(1,158)</b>	<b>(1,881)</b>	<b>178</b>
<b>Reconciliation of funds</b>					
<b>Fund balances brought forward at 1 April 2018</b>		<b>8,325</b>	<b>1,780</b>	<b>10,105</b>	<b>9,927</b>
<b>Fund balances carried forward at 31 March 2019</b>		<b>7,603</b>	<b>622</b>	<b>8,225</b>	<b>10,105</b>

# Notes to the financial statements.

31 March 2020

## 25 Prior year Statement of Restricted funds 31 March 2019

	At 1st April 2018	Income	Expenditure / transfers & grants committed	At 31st March 2019
	£'000	£'000	£'000	£'000
Interrogating basement membrane to understand Alport Syndrome . Action for Alports Campaign	(10)	9	-	(1)
Specialist Registrar (SpR) Club Meeting	-	20	(22)	(2)
Making Every Kidney Count (MEKC)	-	-	(750)	(750)
eGFR graphs for early identification of chronic kidney disease (ASSIST-CKD) Health Foundation	-	36	(45)	(9)
Iron & Muscle Study . Vifor Inc	227	-	(495)	(268)
<b>Restricted funds in deficit</b>	<b>217</b>	<b>65</b>	<b>(1,312)</b>	<b>(1,030)</b>
Kids Kidney Research Merger	679	80	(578)	181
NuTURE - Undisclosed Pharmaceutical funding via National Renal Translation Research Enterprise - Collaboration	516	1,476	(868)	1,124
Research & Innovation Grants . John Feehally / Stoneygate	-	621	(621)	-
Proactive IV Iron Therapy in Dialysis Patients Trial (PIVOTAL) . Vifor Inc	-	94	(94)	-
Masonic Trust	255	-	(83)	172
Corporate Manager	-	30	(30)	-
Organ Donation Awareness Project . Scottish Government	-	15	(14)	1
The Chief Science Office	-	190	(190)	-
The Renal Association	-	23	(11)	13



# Notes to the financial statements.

31 March 2020

David Kerr Fellowship Campaign	-	1	-	1
Answers for aHus Campaign	88	1	-	89
Making Every Kidney Count	-	4	-	4
Nottingham Kidney Trust	7	6	-	13
World Kidney Day *	-	8	-	8
Fellows Day & Alumni *	8	67	(35)	40
Morrisons	9	-	(6)	3
Various below £10,000	1	28	(25)	4
<b>Restricted funds in surplus</b>	<b>1,790</b>	<b>2,644</b>	<b>(2,551)</b>	<b>1,653</b>
<b>Total Restricted Funds</b>	<b>1,780</b>	<b>2,709</b>	<b>(3,867)</b>	<b>622</b>

\* please refer to Kidney Research UK website for further details. <https://www.kidneyresearchuk.org/about-us/annual-review-and-accounts>

The above figures represent only the restricted element of grant funding utilised in the year. Additional amounts may have been reflected as unrestricted income or as deferred income or may be utilised in previous/future years.

The project entitled 'Interrogating basement membrane to understand Alport Syndrome' is showing as a negative balance because the charity has underwritten this part of the cost while Action for Alports Campaign completes its fundraising for this project.

## 26 Prior year Statement of Designated funds

	At 1 April 2018 £000's	New designations £000's	Released/ utilised in year £000's	At 31 March 2019 £000's
Research and Awareness Fund	6,160	5,005	(5,788)	5,377
Property Fund	35			35
	<b>6,195</b>	<b>5,005</b>	<b>(5,788)</b>	<b>5412</b>

The Research and Awareness Fund represents monies which have been set aside from unrestricted funds by the trustees for research project commitments .

# Notes to the financial statements.

31 March 2020

The Property Fund represents monies set aside by the trustees to meet end of lease expenses and expenditure on properties.

## 27 Prior year Statement of Analysis of net assets between funds

Group	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's
<b>Fund balances at 31 March 2019 are represented by:</b>			
Tangible fixed assets	313	-	313
Fixed asset investments	8,699	-	8,699
Current assets	10,967	7,026	17,993
Creditors: amounts falling due within one year	(8,959)	(4,779)	(13,738)
Creditors: amounts falling after one year	(3,417)	(1,625)	(5,042)
<b>Total net assets</b>	<b>7,603</b>	<b>622</b>	<b>8,225</b>

Charity	Unrestricted funds £000's	Restricted funds £000's	Total 2019 £000's
<b>Fund balances at 31 March 2019 are represented by:</b>			
Tangible fixed assets	284	-	284
Fixed asset investments	8,849	-	8,849
Current assets	10,586	7,026	17,612
Creditors: amounts falling due within one year	(8,883)	(4,779)	(13,662)
Creditors: amounts falling after one year	(3,417)	(1,625)	(5,042)
<b>Total net assets</b>	<b>7,419</b>	<b>622</b>	<b>8,041</b>

## Ambassadors

Andrew Cole  
Bruno Loubet  
Ed Drake  
Frances Edmonds  
Dame Jacqueline Wilson  
Julia Watson  
Kate Ford  
Lauren Laverne  
Lawrence Keogh  
Lucy Davis  
Matthew Amroliwala  
Nina Wadia  
Dame Patricia Routledge DBE  
Richard Pitman  
Stefan Booth

## President

Lord Chandos, Baron Lyttleton of Aldershot

## Chief executive

Sandra Currie

## Company secretary

Anne-Marie McCarthy

## Registered office

Nene Hall  
Lynch Wood Park  
Peterborough PE2 6FZ  
0300 303 1100  
[www.kidneyresearchuk.org](http://www.kidneyresearchuk.org)



## Company registration number

00905963 (England and Wales)

## Charity registration numbers

252892 (England and Wales)  
SC 039245 (Scotland)

## Auditor

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EC4R 1AG

## Bankers

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## Investment advisers

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