

Kidney Research UK



Annual report and financial statements.

kidney disease
ends here.

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Cover photo: John Wynne, dialyses at the Cambridge Dialysis Centre three times a week. He is participating in the PROTECT-V trial to investigate whether a nasal spray can help protect patients on haemodialysis from Covid-19.



Much to be proud of after the most difficult year.

When the UK went into the first Covid-19 lockdown, we had been preparing to interview applicants for research fellowships. We cancelled the interviews immediately, hoping it would be a short postponement.

But as the impact of the pandemic developed over the coming weeks, it became clear we wouldn't be able to commit to new fellowships, or any new research funding, for some time. To stabilise the charity in the face of a 50% drop in income, we had to cancel new grant rounds, furlough many of our staff, and make some redundancies.

For me, the most painful thing was hearing how profoundly kidney patients were being affected by the crisis, without being able to offer hope by funding lots of new research. Those needing hospital dialysis had to put themselves at risk of Covid-19 to have treatment. Every time a transplant patient took their life-saving immunosuppressants, they were also increasing their chances of infection.

The situation underlined just how tough kidney disease is. These treatments – the best we have – carry such a heavy burden of stress, inconvenience and health risks. The added dangers of Covid-19 underlined the urgency to make treatments kinder and more effective. This is a firm pledge in our new strategy to 2030, and we have begun by launching a campaign to raise £3 million for research to transform treatments.

Of course, we can't do this – or achieve our vision – alone. Working in partnership, and mobilising investment and research elsewhere, is essential. One of the positives to have come out of the crisis has been the closer working relationships we've forged with other organisations in the kidney community. This includes the new partnership we launched with The PKD Charity, which will increase research in the priority areas relevant to polycystic kidney disease.

We've also become more efficient and agile as a charity. During the crisis, we were asked to support Kidney Beam, a new online platform offering mental and physical support to patients (see page 14) to help gain evidence of how effective it was. We were also approached to assist a study to help protect kidney patients from Covid. The speed of our response showed us how we can streamline our research funding operations without compromising our standards – and we have taken our learnings and put lasting changes in place.

Digital fundraising has been another area of development that was accelerated by the pandemic, but that we'll continue by choice. Our amazing supporters have shown incredible loyalty, generosity and flexibility in ways to raise funds amid the crisis, and that meant we could re-start our research grants programme before the year end (see page 8). Not as much as planned, but more than we feared, including inviting back for interview some of the researchers we'd had to turn away in March 2020.

2021 is our 60th anniversary. While it comes in the shadow of the Covid-19 pandemic, and all the resulting challenges, it also comes at a time when we can be proud of our resilience, determination and adaptability.

We've come back stronger in many ways, and more committed than ever to a day when everyone lives free from kidney disease.

Sandra Currie
Chief executive

2021 is our 60th anniversary. While it comes in the shadow of the Covid-19 pandemic, and all the resulting challenges, it also comes at a time when we can be proud of our resilience, determination and adaptability.



How we responded to Covid-19.

The last year has been like no other for the entire kidney community. Kidney patients were advised to shield, yet many had to visit hospital regularly for dialysis. It was a frightening situation with very real consequences. Before the vaccine rollout, one in five people receiving dialysis in hospital or with a kidney transplant who contracted Covid-19, died within four weeks.



Tough decisions

Our task was to support the kidney community as best we could, while making sure the charity could survive the storm. Our income was hit hard by cancelled events and a squeeze on our supporters' finances. We had to make some difficult choices.

To reduce our salary bill, we furloughed around half of our staff, and many others agreed to a pay cut. We also decided not to fund new research until we were confident of our financial position. These were tough blows, but we had to make sure we could meet existing commitments, get projects back on their feet after the forced pause, and react quickly to urgent needs.

Responding to need

We took rapid action when funding was requested for research deemed vital for kidney patients in the pandemic. This included two important studies – both financed in partnership with others – aimed at reducing the danger of Covid-19 to people with kidney disease.

The first – a clinical trial called PROTECT-V – is investigating if a tapeworm treatment can prevent Covid-19 infection in some of the most vulnerable kidney patients. In laboratory experiments, the drug (niclosamide) stopped Covid-19 multiplying and entering the cells of the upper airways. PROTECT-V has since been prioritised by the government as an urgent public health trial, and is being rolled out quickly in hospitals across the country.

The second study aims to solve uncertainty over how effective the Covid-19 vaccines are for kidney patients. It's initially testing their effectiveness in people on dialysis, which will help us find out how kidney patients can get maximum protection, and what risks remain.

Vital vaccines

We won't have the full results of the vaccine study for a while, but the danger of Covid-19 to kidney patients means that having the jab is still an essential precaution. That's why we joined a government campaign urging people with long-term health conditions to have theirs.

When we heard that misinformation about the vaccines was creating fear in some communities, we added clear and up-to-date vaccine information to our website. To support the cascade of accurate information, we developed training for our peer educators and Christian, Sikh, Hindu and Muslim faith leaders.

Back up and running

Thanks to the response from our supporters, and by building closer links with other organisations, we were able to tentatively restart our research funding schemes first in June 2020, and then award more grants just before the close of the financial year.





Can a nasal spray protect kidney patients from Covid-19?

Early in the pandemic it became very clear that kidney patients were especially vulnerable to Covid-19.

"My colleague, Dr Thomas Hiemstra and I came up with the idea of the PROTECT-V trial. We wanted to help kidney patients unable to shield because they have to come to hospital for life-saving dialysis, and the immune suppressed kidney transplant and autoimmune patients whose immune systems don't respond so well and therefore the vaccine might not prove so effective.

"Patients should have the vaccine wherever possible. But while the vaccine will offer a level of protection, using the tapeworm drug niclosamide as a nasal spray may mean we can further protect people against Covid-19 and not rely on their immune systems mounting a response.

"Niclosamide came top in two independent screens of existing drugs to see which might stop viruses entering the lining of the nose – and lab work on cell models of the virus was really promising.

"When you're running a clinical trial in a pandemic it's really important to make it as easy as possible for patients and staff. In PROTECT-V patients have just one face-to-face visit. They then use the spray at home and have weekly follow up calls with a nurse. They can choose to submit their own results, including any symptoms that they may have, by email, so they're really in control.

"It's a placebo-controlled trial, so half our patients get the active Niclosamide spray and half get the placebo or dummy drug, which here is salty water. And then we look at cases of symptomatic Covid-19 infection and compare between the groups.

"The way we designed this trial means that other medications and other groups can be added to it in future, which is so much more efficient.

"I'd like to say a huge thank you to Kidney Research UK for their ongoing support in a challenging year and to all participants, because every single person that takes part is contributing to our knowledge."

PROTECT-V is funded by Kidney Research UK, LifeArc, the Addenbrooke's Charitable Trust and UNION therapeutics and is supported by the NIHR Cambridge Biomedical Research Centre.

Dr Rona Smith,
Chief investigator for the PROTECT-V trial, from the University of Cambridge and Addenbrooke's Hospital.

Patient power.

We cannot transform kidney treatments until researchers and health professionals understand what it's really like to live with kidney disease. That's why, with the launch of our strategy in 2020, we pledged to boost patient involvement in everything we do. This year we took some major steps towards that goal.

The remit of our Lay Advisory Group – made up of volunteers living with kidney disease – was expanded last year. Now these expert patients will have a greater influence on the way we and the wider kidney community operates. They will help us dial up the patient voice in our decision-making, and we'll support them to get a seat at the table in other kidney networks and organisations.

Involvement in research

We've long included members of our Lay Advisory Group in deciding which research applications we fund, but this year we went further. In January 2021, our grants panels began hearing not just from scientific reviewers, but also from our new research network volunteers, to inform their funding decisions. The 22 volunteers are all kidney patients who assess the applications through the lens of their lived experience. This helps us to make sure we're funding research into issues that really matter to people living with kidney disease. It also helps researchers to better design and deliver their studies, and are considerate in what they ask of the patients involved.

Our research network volunteers were recruited largely through Kidney Voices for Research. This is our online community of patients who want to stay up to date with scientific progress and hear about opportunities to contribute.

More opportunities than ever

Getting involved in research is just one of the ways in which people can volunteer. We now have an even wider range of roles to suit all kinds of people. Last year we recruited the first members to our reader panel, set up to review and feed back on our communications. These patients will help us improve a whole range of materials, from webpages and flyers to the report you're reading right now!

We also created opportunities for community ambassadors; people like Kudz who are becoming the face of the charity in their local area. These roles suit people who want to raise awareness of the importance of kidney health, kidney disease and research by talking to groups, businesses and schools in their community.

Find out more about getting involved, in ways that suit you at www.kidneyresearchuk.org/volunteer



The Kidney Voices Facebook group grew by more than 60% last year, to 500 members.



Volunteering to share and inspire

"It all initially started with me temporarily losing my eyesight for a few hours in 2004. My blood pressure had increased so much that it had created black spots in my retinas. That same day, the physicians quickly realised I had excessive fluid retention and had to be put on dialysis as a matter of urgency – it was kidney failure.

"I was only 22 years old then and had no idea what kidney disease or dialysis was beyond basic human anatomy taught in school.

"Fast-forward nearly five years and I was on dialysis, but I received a transplant in April 2008. This was so critical to my aspirations to become a maths teacher and I quickly went to university following my transplant. To cut a long story short I achieved my dream, and I am now a senior lecturer in accounting and finance at the University of Sunderland.

"It would have been impossible to survive this long and lead a happy life and pursue my passions to educate and inspire without the kidney transplant. I now want to make people aware of how much organ donations and research means to people like me.

"After 17 years, my transplant has now failed and I am back on dialysis. It's really tough, and I'm hoping for another transplant. If regular dialysis sessions were shorter, it would improve my quality of life. I know only too well that there is currently no cure for kidney disease and transplants sadly don't last forever. But research continues to make a difference for patients like me."

"I hope that by being a community ambassador I can raise awareness and also encourage people in our area to get involved in fundraising for vital research."

Kudz Munongi

New research, funded by your support.

Covid-19 forced us to pause our research funding, but by June 2020 we were cautiously beginning to re-start. We couldn't award as many grants as usual, but invested nearly £2 million over 15 projects and fellowships – five in partnership with the Stoneygate Trust. We also launched an innovative approach to financing research, to help us do more, more quickly.



Towards treatments for childhood bladder problems

In June we awarded £136,000 to Professor William Newman and his team at the University of Manchester to uncover the genetic causes of inherited bladder problems in children. Not only can these conditions cause kidney damage, but their common symptoms – including bed-wetting and incontinence – can have an enormous impact on children's confidence and education. The team have pinpointed some of the genes responsible, but need to complete the picture.

With funding from us, they will now carry out 'whole genome sequencing' (analysing all the genetic material in a cell) of samples from children with severe inherited bladder conditions. They'll cross-check this analysis against an enormous genetic database called the 100,000 Genomes Project. This way they can confirm if their genetic suspects are the true cause of bladder problems in these children and others.

By completing this genetic picture, researchers can begin to develop life-changing treatments for these conditions and give families the answers they desperately want.

Virtual dialysis training

Dialysis can be tricky, so hands-on training is crucial for families whose children are getting ready to begin regular treatment. But because childhood dialysis is rare, it can be difficult for paediatric nurses to keep their skills up to date, and to teach parents. That's why we've funded Dr Ben Reynolds at the Royal Hospital for Children in Glasgow, working with Glasgow Caledonian University, to develop a virtual reality dialysis training tool. With a grant of £50,000 (funded in partnership with The Stoneygate Trust) the team will create a virtual dialysis environment complete with equipment and patients. It will guide users to get 'hands-on' experience in setting up dialysis and what to do when problems crop up.

New avenues of funding

In our strategy we committed to making a step-change in the research effort, to deliver major advances in our understanding of kidney disease and transform treatments. This means funding more ourselves, and helping the research community to tap into other funding sources, often aimed at start-up enterprises. So, we have partnered with Babraham Research Campus and UK BioIndustry Association to support kidney researchers to think more like entrepreneurs as they consider how to finance their research. Through this work we intend to significantly increase the investment available for vital kidney research.



Tackling the threat of a common virus to people with transplants

"Human cytomegalovirus (HCMV) is a common viral infection and most people in the UK have been infected with it at some point in their lives. Normally, the immune system controls the virus and it generally causes few, if any, symptoms – but it remains silently present in the body after infection.

"Because people with kidney transplants take drugs to suppress their immune systems and stop organ rejection, they are vulnerable to HCMV infection. Without treatment, HCMV can cause a severe illness affecting many different organs, including the lungs, liver, and bowel.

"HCMV is particularly dangerous in patients who haven't been exposed to the virus but receive a kidney from an infected donor. Although these patients are treated with antiviral drugs for three to six months after transplant, half of them still go on to have the virus in their bloodstream.

"When I became a registrar in nephrology I did a transplant placement in Cardiff and it became very clear that HCMV had a big impact. I knew that I needed to dedicate some of my time outside my normal clinical training to study HCMV more.

"I shared my research ideas with a group of patients in the Wales Kidney Research Unit to see what they thought about

HCMV, what sort of impact it had on their lives, and what sort of questions they would like answers for. I always remember one of the patients said: 'I hate the chance nature of it, not being able to know who will get the infection, how we can prevent it, not being able to know which patients will be affected the most in terms of kidney damage. And rather than the treatment that we have for it which is toxic for the patient, can we not target the virus itself?' So when I put my fellowship application together for Kidney Research UK these questions were central.

"In this fellowship I will examine how molecules called cytokines – the soluble messengers of the immune system – help to control infection in those who receive a kidney transplant containing HCMV. I want to work out how the virus has adapted to manipulate cytokine responses in these patients.

"Understanding HCMV infection in kidney transplant patients is the first step towards developing new antiviral drugs to protect patients from this harmful virus.

"I am thrilled to have been awarded a Kidney Research UK Training Fellowship to complete my PhD studies. Working with the charity to address this crucial clinical problem will give unprecedented insight into this vital area of research, and kick start my clinical academic career."

Farah Latif
Clinical lecturer at Cardiff University
and Kidney Research UK Training Fellow

The Andy Cole Fund.

Last year saw the launch the Andy Cole Fund, which aims to raise £500,000 for research to improve kidney transplants and patient wellbeing. England and Manchester United footballing legend Andy Cole set up the fund having become a charity ambassador in 2018. It came after he'd faced the toughest battle of his life when his own kidneys failed, and when the Covid-19 pandemic brought home to him just how vulnerable he is as a kidney patient.

Hope from devastation

In 2015, Andy developed kidney failure and after two years of treatment to try and rescue his kidney function, he was told he needed a transplant. Fortunately for Andy, his nephew was found to be a match, and the transplant took place in 2017. However, Andy was devastated when it became obvious that this wasn't the end of his difficulties.

"I one-hundred per cent thought I would have the transplant and feel like the old me again. Give me a couple of months, I'll be up and doing my thing. I'll be running around again like a young man. Then I got the harsh reality check. It doesn't happen. It hits you hard."

Not knowing anyone else with kidney disease, Andy felt alone and without hope. But joining #TeamKidney showed him how much work is going on to transform treatments, and galvanised him to raise money for research.

Hearing the charity's researchers talk about initiatives starting to make the physical and mental kidney disease journey more bearable, was the spark for the fund. Listening to the great research projects the charity is funding was amazing. It reassured me that I'm not the only one going through this.

Andy told his story with moving honesty to help us launch the fund in May 2020. We secured widespread coverage in news and sports media – including *The Sun*, *Daily Mail* and *The Guardian* – reaching a combined audience of nearly 200 million people; alerting many more to the reality of kidney disease and the urgent need for research.

A winning team

In December, global financial services firm UBS became the first corporation to join the Andy Cole Fund First XI; 11 corporate supporters we hope to recruit to sponsor the fund. UBS employee Sarah Viner spurred the bank on to sign up, having received a kidney transplant herself in 2001.

Sarah said: "Health, wellbeing, feeling cared for and included are important elements of our diversity and inclusion employee networks, and we're delighted to partner with Kidney Research UK and the Andy Cole Fund. Having Andy share his journey with us will be a great way to raise awareness, share the message and show support!"

Covid-19 delayed our plans for a gala dinner and golf day in aid of the Fund. They will now take place in 2022, and will help us reach our fundraising goal for the Fund of £0.5 million by 2023.



ANDY COLE
FUND



Fighting as hard as I can

"I'm still here. That's the most important thing. But people don't understand what you go through with this illness. They look at a transplant patient and say: 'You're OK. You look really well.' Externally that can be true. But, internally, many things are going on. You're dealing with the medication and your moods. I've been very fortunate I'm never angry about it.

"Your mental wellbeing is paramount because it's so tough to deal with a disease that one day you feel unbelievably well and the next day you feel like a bag of ****.

I had an opportunity to visit Bristol where Kidney Research UK are funding research and I was absolutely blown away by everything they're trying to improve.

"I sat in a room with 10 people and the chairman talked about the process of how they break things down and collect data. What really resonated with me was when he said so many people detested their bodies after a transplant. The mindset was, 'I can't look at myself. I hate myself.' That's the process I was going through. I look at the scars across my chest and stomach and think it's repulsive. Then, you hear so many people going through the same thing. So I want to help people.

"Life with kidney disease is a rollercoaster. But I continue to give it a good go and fight as hard as I can. You have to try and feel optimistic for the future. I've got to face the reality but try and stay as positive as I can."

Andy Cole

Talking to Donald McRae at The Guardian, on the launch of the fund.

Getting results.

Every piece of research brings us one step closer to transforming treatments and freeing lives from kidney disease. The clinical trials we fund can improve the care kidney patients receive today. The laboratory science we support makes discoveries that will fuel the advances of tomorrow. Here are just a few of the important discoveries that your donations made possible last year.



No kidney left behind

The demand for kidney transplants outweighs the supply of donated organs. Worse still, some donated kidneys are wasted because they're not in perfect condition. In July, the results of research we funded revealed a way to revive donated kidneys that might otherwise be discarded. Dr Emily Thompson and colleagues at Newcastle University pumped blood and stem cells through kidneys in the lab. This improved the condition of the organs; the first time that a pre-treatment has been shown to do this. The next step is to find out if pre-treated kidneys result in better and longer lasting transplants.

This research could increase the number of donated kidneys that can be used for transplant in the future, and make more transplants successful.

Tackling high blood pressure

High blood pressure is a major cause of kidney disease. It's very common, and we urgently need to find better ways to tackle it. High blood pressure often develops because our arteries have stiffened up as we age. Kidney Research UK Senior Fellow at the University of Edinburgh, Dr Laura Denby, has been investigating this problem. In April she was part of a team who published research identifying a tiny piece of genetic material, known as a micro-RNA, as key to the process.

They showed that a micro-RNA called miR-214 causes T-cells from the immune system to invade the tissue around arteries. Here, the T-cells trigger the production of tough collagen fibres that make arteries less elastic. They also kick off a damaging process called 'oxidative stress', which compounds the problem. Next steps include finding drugs that can control the actions of miR-214, and seeing if this could be a safe and effective way to combat artery stiffening and high blood pressure.

An unexpected discovery

Healthy kidneys filter out waste products in our blood to make urine, while stopping essential proteins from escaping. Cells called podocytes are key components of the filter, and when they begin to fail, proteins leak out. An early sign of kidney disease is detecting protein in the urine.

Dr Abigail Lay and colleagues at the University of Bristol have been funded by us to understand how podocytes fail. They have discovered that a molecule called Neuropeptide Y is involved; too much of it causes podocyte damage. It's exciting because Neuropeptide Y is normally found in the brain and spinal cord – no-one suspected it had a role in the kidneys. The researchers would now like to investigate whether blocking Neuropeptide Y could prevent the loss of protein, and even interrupt the early stages of kidney disease.

Obesity research could help pinpoint treatments for some causes of kidney disease

We now know for certain that obesity can increase the chances of someone developing kidney disease.

"Previous studies had found that obesity is linked with an increased risk of kidney disease. But it wasn't clear whether obesity directly caused kidney disease or whether other factors were involved, such as more salt in people's diet. We studied almost 300,000 DNA samples from a large collection of blood and urine and detailed health information called the UK Biobank.

"We searched over 1,000 gene variations that predispose people to a higher body mass index (BMI) or more fat deposited around your middle – tummy fat. People with these gene variations are more likely to become overweight or obese.

"In this study, we found these genetic variants were consistently linked to kidney disease.

"We also found that, regardless of where it is deposited in the body, fat increases the risk of kidney disease. To understand why this happens, we tested whether the gene variants that predispose certain people to obesity were also associated with diabetes or high blood pressure – which both lead to kidney disease.

"We found that when fat was deposited around the central organs, kidney disease was caused almost exclusively by diabetes. On the other hand, when fat was deposited generally across the body, both diabetes and high blood pressure contributed to kidney disease.

"This is good news, because we already know a lot about diabetes and high blood pressure, and we have treatments for them. If we can prevent diabetes and control blood pressure in those who are overweight or obese, we may be able to prevent many cases of kidney disease from developing in the first place.

"The topic of lifestyle and its impact on our health is a challenging one to present, but our aim is to provide reliable information so people can make their own, informed choices."

Will Herrington

Medical Research Council - Kidney Research UK
Professor David Kerr clinical scientist based at the University of Oxford



Mind and body.



Living with chronic kidney disease makes every day a challenge. It affects, and sometimes governs, every aspect of a person's life. There's no let-up. This puts a huge strain on people's emotional and mental wellbeing. One in three kidney patients are thought to suffer with depression and anxiety, and that's before the added stress of coping as a kidney patient during a pandemic.

Despite the mental health crisis going on in the kidney community, it is inconsistently addressed in renal care. Last year, as part of our ongoing priority to improve holistic (physical and emotional) care for kidney patients, we made progress to get the issue on the agenda.

Making change together

In May, we partnered with the Centre for Mental Health to shine a light on this issue, by releasing a joint statement of intent. It laid out the evidence and the actions needed from ourselves, from the government and from the NHS, to transform kidney services so that they pay heed to and support patients' mental health.



Kidney Beam

When the first Covid-19 lockdown meant many kidney patients faced increasing isolation to stay safe, King's College Hospital renal physiotherapist Dr Sharlene Greenwood became increasingly worried about her patients' physical and mental wellbeing. She conceived the idea of Kidney Beam, an online service to give kidney patients the chance to come together online and benefit from specialist exercise and education programmes. We were proud to support a pilot of the scheme in July, and in November we extended our funding for a further year. Our support secures free access to the service for kidney patients – over 1,000 users and rising – for this period.

We also funded the first research project to evaluate the impact of Kidney Beam on the physical and mental health of participants. If successful, this will be vital in convincing the NHS to fund and incorporate Kidney Beam into the routine support offered to every patient.

Surveying support

October saw the start of a project led by a team from King's College London and the University of Hertfordshire to research exactly what mental health support is available for kidney patients in the UK. Psychologist Dr Joe Chilcot applied to us for funding when he realised how little evidence exists about the mental health impact of kidney disease, in comparison to other long-term illnesses.

The researchers have begun by reviewing the published literature, finding that there's only moderate evidence available for the best way to support kidney patients' emotional needs. An audit of services currently available at 70 renal centres is now taking place, and will help to shape the researchers' recommendations for improvement, which are expected in 2023.

Why my mental health is my biggest concern

"Despite living with multiple complex health issues including chronic kidney disease (CKD) and type 1 diabetes, it's my mental health that worries me the most. My physical health is difficult to manage, and I'm kept alive purely by medical management and my own intervention. But it's never skewed my view of reality.

"A few years ago I experienced a breakdown and psychotic depression. Whilst this period was traumatic for those around me, I don't remember a great deal about it. However, it has had a lasting impact on me. Now I know how distorted my thinking can become.

"Whilst this is an extreme example, it's well known that those who live with long term complex health issues face higher rates of mental health issues, particularly depression and anxiety.

"This year has only added to these issues. The impact of shielding, financial pressures and having much less medical support than we are used to has meant that many of those who have previously coped well with their illness, have struggled.

For those of us who were already struggling with anxiety and depression, well frankly, it feels like the world is on fire.

"In my life, Covid could kill me, my diabetes could kill me, my potassium levels could kill me. Honestly there are so many things that could take me out that some days I'm genuinely not quite sure how I'm still here. All of these things are treated extremely seriously by medical professionals, but my mental health is often overlooked and this confuses me greatly.

"Fighting to keep yourself alive is tough. Attending dialysis or treatments, sticking to restrictive diet plans or having to do complex maths equations to work out insulin doses is all difficult, time consuming and generally a huge pain in the a***. If you throw in depression and the complete lack of motivation that comes with it, it gets even harder. Add in ambivalence about living and it's a ticking time bomb.

"All too often people struggle to access any support for their mental health and desperately needed renal psychology services are over stretched or simply not available.

"Even the best treatments will only work if people are mentally well enough to engage with them. Good mental health isn't just something that is nice to have, it's as essential as any medical intervention. People can only be kept alive and well if that is what they want.

"Until we address mental health issues within physically ill populations, people will continue to die and we will be left with the question of whether good mental health support could have kept these people alive."

Sarah Green

Sarah helps lead the Young Adult Kidney Group and is contributing to our partnership work with the Centre for Mental Health.

Good mental health isn't just something that is nice to have, it's as essential as any medical intervention.





Amazing support in extraordinary times.

At the start of the Covid-19 pandemic, every one of our income streams was under threat. We suffered an immediate and significant downturn in fundraising, and had to act fast to secure the future of our vital work.

We were forced to cancel our schedule of fundraising events but, in their place, we created Covid-safe virtual fundraisers and developed new regular giving opportunities. Our supporters showed incredible loyalty and generosity, and we welcomed new people into #TeamKidney.

Thanks to you, and the hard work of the charity's fundraising team, we adapted to the new normal. We ended the year below our fundraising target, but in a stronger position than we'd feared.

New ways to raise funds

With the disruption to face-to-face fundraising, our nation of givers adapted and moved online to donate to causes close to their hearts. We used emerging digital platforms such as Tiltify to make it ever easier for people to raise money, and our supporters asked friends and family to donate through Facebook's birthday fundraisers, raising £135,000.



Overall, our online donations **increased by 66%** compared to the previous year.

Walking became so important to people during lockdown, yet our flagship annual Bridges Walks couldn't take place. Instead, supporters signed up to complete their own 'My Bridges' challenge.

Linda Cole, who had been due to complete the Bridges Walk in London with her two nieces, decided to run 70 miles in 7 days, raising over £500.



We joined the week-long 2.6 challenge. Launched on the 26 April, it marked the day the cancelled London Marathon 2020 should have taken place – an event that generates millions for UK charities every year. We asked supporters to dream up Covid-safe activities around the numbers 2.6 or 26.

Seamus Kelleher
raised over £3,800
by cycling his
peloton bike for
26 hours non-stop



14

21



In October we launched an online lottery; a fun new way for people to give a regular gift. For a £1 weekly entry, players have the chance to win cash prizes between £5 and £10,000. By the end of the financial year, over 700 people were supporting us this way.

As the end of the year approached, we asked people to 'Step into Christmas' with 12,000 steps a day for 12 days in December, to raise £120.



Liz Lightstone,
a kidney doctor and
one of our trustees,
raised over £15,000
by doing 12,000
steps a day for 12
days, just months
after a double knee
replacement!

And as we welcomed in the new year, we recognised the 850 million people living with kidney disease worldwide by launching the #850Challenge. It challenges people to raise funds by walking, running or cycling 850 miles or kilometres in 2021.

Soon after trustee and kidney
patient David Prosser's
daughter Lucy had
donated her kidney
to him, the family
pledged to complete
850 miles in 2021,
with their fundraising
total reaching
£3,000 and still rising!



Thank you

We are incredibly grateful to everyone who began or continued to support us over the past year, at a time when we needed you most. Our supporters quickly adapted to donate and raise funds in new ways, whether through virtual events or giving on social media. Predictions of a catastrophic downturn in legacy income did not materialise for us, and we are grateful to all those who chose to remember us in their will.

Finally, we always appreciate the time and effort invested by our growing team of volunteers. Last year we congratulated two – celebrity ambassador actor Nina Wadia, and Swaran (Judy) Chowdhury – on being named on the New Year Honours List. Nina, who received an OBE for services to entertainment and charity, began raising awareness for us after her mum died of polycystic kidney disease.

Judy – who received the British Empire Medal – was our first volunteer peer educator in Scotland, talking to South Asian communities about kidney disease and organ donation.

We'd like to say thanks to Nina and Judy for their amazing contributions, and to Andy Cole who worked so closely with us during this tough year to launch the Andy Cole Fund (see page 10).



Nina Wadia



Swaran Chowdhury



Andy Cole

Delivering on our aims.

How did we do in 2020/21?

As the Covid-19 crisis loomed, we adapted. We revised our annual plans to ensure we could embark on our new strategy, while being realistic about the challenges ahead. It was a tough year, and we thank our staff, volunteers, supporters and partners for adapting and helping in the most difficult circumstances. Inevitably, progress slowed in some areas. But we have emerged from the crisis determined to get back on track and drive forward. Here we summarise how we performed against the revised goals we set.

Honour our existing funding commitments.	✓ YES. We continued to support all our 116 existing grant-holders and awarded new paediatric research projects –which had been reviewed just before the pandemic hit.
Adapt and target Covid-19 research where appropriate.	✓ YES. We responded to applications for Covid-19 research funding, collaborating with others to fund important projects (see page 4).
Re-start funding new research when the time is right.	✓ YES. We were able to launch a new research grant round focused on our transforming treatments priority. We funded three new fellowships and six new projects at a total of £1.35m. The Stonegate Trust supported some of these awards.
Develop our programme of patient and public involvement in research.	✓ YES. We created new volunteering roles, widened the remit of our Lay Advisory Group and embedded patients in decision-making (see page 6).
We will drive forward our priorities to transform treatments, understand multiple health conditions and reduce inequalities.	– Partly. Some of this work was delayed by the pandemic. We began work on a campaign to transform treatments. Vaccine hesitancy was an emergent health inequality, which we worked to address.
Work with others to make a difference to patients.	✓ YES. We have built up several partnerships including with King’s College London (Kidney Beam, see page 14), Centre for Mental Health (see page 14), Babraham Research Campus (see page 8) and The PKD Charity (see page 3) and joined a charity coalition to help increase Covid-19 vaccination uptake.
Build our community by attracting new people to support us.	✓ YES. We launched our new brand, rallying people behind the reality of kidney disease and the need for research. Just under 13,000 people joined Team Kidney including volunteers and over 8,000 new donors. Nearly 800 people registered for one of our new virtual events. We developed an informative and supportive digital space for our followers gaining 9.8% more engagement on our social channels and 5,217 new followers. And we saw a 34% increase in website browsing time and a 76% drop in people leaving after viewing just one page.
Raise £6 million.	✓ YES. The pandemic caused an initial fall in income but we adapted and raised £6.9 million. We had forecast a 50% drop in income on the previous year. This held true until strong performance in the last six weeks of the year, particularly in legacies, meant we limited the fall to 33%, before the Coronavirus Job Retention Scheme.
Continually improve our governance and management to come through the pandemic as a stable and sustainable charity.	✓ YES. We rapidly introduced cloud technology to enable effective homeworking and enhance cyber security. We developed our forecasting and reporting tools to support agile decision making. We prioritised the health and wellbeing of our staff throughout the year. Towards year end we reviewed our strategy to ensure that it was still fit for purpose in light of the challenges Covid-19 had presented.

Looking ahead.

What we will do in 2021/22

In the coming year we will get all our activities affected by the Covid-19 crisis back on track, as rapidly as possible. We will drive progress against our strategic priorities, using what we learned in the extraordinary past year where it can help us to work smarter. Here we summarise what we want to achieve in year ahead.



Accelerate discovery

- We will get our research grant funding programme back up and running for new grants as well as leveraging further funding through partnerships.

We aim to invest £7m in our charitable activities.



- We will launch our research strategy.
- We will welcome and encourage innovative research ideas to address key kidney challenges.
- We will support research networks aligned with our strategic priorities that stimulate innovation and collaboration.
- We will work with others to fund and respond to research that protects those living with kidney disease from the effects of Covid-19.



Rally together for change

- We will raise £9 million, and develop a strategy that harnesses innovation to return to, and exceed, pre-Covid-19 annual income.
- We will continue to embed patient involvement across everything we do

and ensure the voices of those impacted by kidney disease are heard where it matters.

- We will reach new priority audiences and raise awareness of kidney health and the realities of living with kidney disease, inspiring people to take action.



Make it count

- We will work with researchers to drive their discoveries beyond data to create positive change for patients.

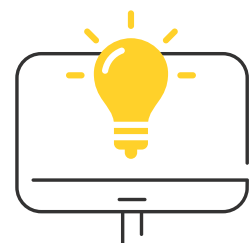
- We will expand our capacity within the charity to draw on research evidence and advocate for transformations to patient care.



Strive for excellence

- We will 'build back better'. We will apply the lessons we learnt from working during the pandemic

particularly in making best use of digital spaces, opportunities and technologies – as we continue to transform the charity to deliver on our strategy.



A photograph of a person from behind, wearing a purple t-shirt with the text "kidney disease ends here." in white. The person is in a hospital or clinical setting, with medical equipment and a patient in a bed visible in the background. The person's hair is dark and pulled back, and they are wearing a white headband or hair tie. The background is slightly blurred, showing a patient in a bed and various medical devices.

**kidney
disease
ends
here.**



Report from the trustees.

Financial review.

The Covid-19 coronavirus pandemic significantly impacted the charity's financial performance throughout the year. At the start of 2020/21 there was a high level of uncertainty around our ability to generate sufficient income to meet both operating needs and maintain our charitable expenditure at historical levels. Despite the challenges, we still managed to spend over £4 million to support research and awareness, including critical Covid-19 related research.

In addition to the challenge of generating sufficient income, trustees were aware of the charity's need to be able to meet its commitments, with grant liabilities standing at over £16 million. Declining asset values in our investment portfolio at the start of the year reduced the level of our general funds thereby risking an unplanned shortfall between liabilities and assets.

The need to balance these challenges against the need for research funding led trustees to prioritise Covid-19 pandemic related research and to pause other new research spend until the financial position for the charity could be more clearly established towards the end of the year.

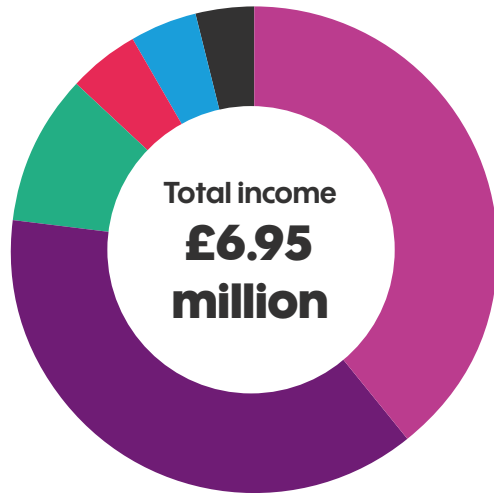
The swift actions of our team to develop fundraising products to generate income in 2020/21 coupled with the generosity of our supporters and backed by our reserves, helped us to make it through the year while still funding a limited number of research projects. In the last few months of the year part of the unspent funds from two projects which were completed early due to the impact of the pandemic, were applied against new awards. The rest of the underspend will contribute to awards in 2020/21.

The £1.667 million gain on our investments is welcome support for the charity's reserves but trustees are aware that this is an unrealised gain and is dependent on the marked to market value of our investments.



Where our income came from

Despite a strong inflow of legacy income in the final six weeks of the year, helping to support a grant round in March, total comparable annual income declined by 33% to £6.6 million. The charity received £314k from the Coronavirus job retention scheme, giving total income of £6.95 million.



Donations and gifts
£2.74 million

This includes one-off donations as well as regular giving.

Legacies
£2.62 million

Trusts and partnerships
£685k

This includes Stoneygate Trust income and income to support our ongoing projects such as NURTURE, the data and kidney biobank collaboration.

Trading income
£340k

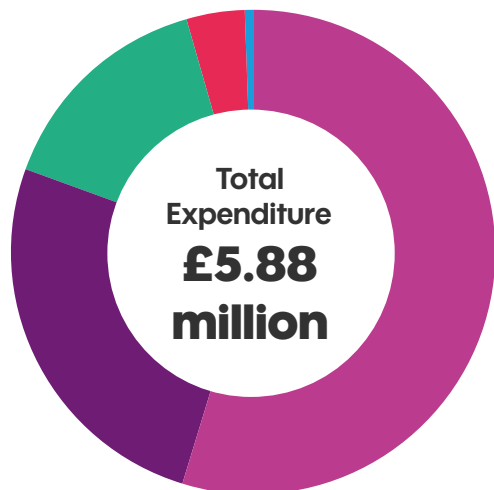
This includes charity shop income and income from our raffles.

Investment income
£251k

Coronavirus Job Retention Scheme
£314k

Where the money is spent

Total expenditure was £5.88 million across research, awareness and education, investment in raising funds and support costs. Despite the challenges of uncertainty around income generation and the need to ensure the charity could meet its commitments, we spent £4.1 million on research and awareness, a reduction of £3.2 million (65%) on 2019/20. The decline in income was partly mitigated by the 21% reduction in investment to generate funds. Support costs were also lower due to reshaping the staff team and reductions in salary costs. Overall operating costs were lower than the previous year.



Research
£3.225 million

This includes research and career development.

Generating income
£1.521 million

Awareness and education
£870k

This includes working with patients and raising awareness of kidney disease.

Trading
£238k

This includes the cost of running our charity shops and raffles.

Investment management costs
£23k

Pence in the pound invested in research and awareness in 2020/21:

75 pence

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

80 pence



The charity works hard to ensure that at least 75% of supporters' money goes to fund research and raising awareness of kidney disease. The reduction from 80 pence to 75 pence reflects the challenging conditions faced by the charity in raising funds in the year. In the circumstances trustees are content that the benchmark of 75 pence was achieved.

Investments

As at 31 March 2021 the charity's investment portfolio, together with cash deposits, totalled £17.7 million. Capital values made a significant recovery during the year, particularly in the final quarter of calendar 2020 as markets responded to positive news on vaccines.

Over the full 12 months the investment portfolio posted a total return (capital return plus income generated by the underlying investments) of +19.9%. This demonstrated a significant outperformance of the target of CPI inflation +3% p.a., which was +3.7%; it was ahead of the composite, passively invested, benchmark which returned +17.8% but disappointingly behind the average total return of +24.0% achieved by other charities with similar investment profiles.

Income from the actively managed investments amounted to £362k, marginally exceeding the income target. However, investment income is likely to fall in the coming year partly due to the continued diversification of the portfolio from UK equities to lower yielding overseas equities.

In 2019/20 the charity took 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 equity investment is the first of its kind for the charity with patient benefit the primary motive. The charity had previously granted two awards to the research team. The team established a start-up company and attracted significant funding in addition to the charity's investment to advance the development of the device. 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. After suitable due diligence on the current financial position of Kalium Health Ltd, the trustees have agreed to maintain the carrying value at cost.

At close of business on 22 September 2021, the last business day before approval of these accounts, the investments have a market value of £17,432,543. This represents a rise in value of £722,563 since 31 March 2021.

Financial position

Total reserves at the end of the year totalled £9.96 million of which:

£0.78 million were restricted funds; £4.7 million were designated funds; £4.5 million were general funds. See the reserves policy for details.

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;

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

The restricted fund for Stoneygate Trust shows a negative £0.8 million and will be cleared early in 2021/22 when the Trust's new funding agreement starts. Trustees agreed to the charity underwriting £0.8 million of Stoneygate's commitment for a month so that the awards could be made in March 2020/21.

Designated funds at the year-end hold a larger amount for planned expenditure than in the previous year. This reflects the intention to get research funding back to more normal levels, depending on financial performance over 2021/22.

Given the uncertainty of Covid-19's impact on our ability to generate sufficient income in 2021/22, the general funds are set at 30.3 months of operating expenditure rather than at the 12 months benchmark. Trustees are satisfied and reassured that available cash reserves and general funds will enable the charity to meet its liabilities when due. As research funding returns to more normal levels, general funds will realign with the benchmark.

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 Capital. The investment objective is to maximise long term total return while maintaining a level of diversification within an intermediate risk profile. The total return benchmark against which the portfolio is managed is CPI +3%pa. 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. The board of trustees is supported by the Nominations and Governance

committee (NGC) chaired by the vice-chair of the board to deliver 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 Charity Commission sector alert "The importance of transparent and accountable governance" in June 2020 was a welcome opportunity to identify governance improvement opportunities, and proactively submit our findings. In 2020 an independent review of board and chair effectiveness was held. This will be repeated in 2021 using the updated Charity Governance Code.

People

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

Trustees	Subcommittee Member	Appointed/retired
Professor Jeremy Hughes (Chair) MA MB BS PhD FRCPE	RSC, F&R, RC, NGC	
David Prosser MSt (Cantab), MA, FCA	Chair F&R & RC, NGC	Retired 27/04/21
Federica Pizzasegola BSc	F&R	On sabbatical 1/12/20 Retired 23/09/21
Dr Charles Tomson MA BM BCh FRCP DM	RSC	
Tom Kelly		
Dr Deirdre Jennings BSc, PhD	F&R	
Professor Sunil Bhandari MBChB, FRCP, PhD, M Clin Ed	RSC	
Julia Moross ACA		Retired 22/06/20
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	
Dr Allan Davidson BSc, PhD, FCA	F&R	Retired 24/06/21
Angela Watt RN	RSC	
Ben Digby BA (Hons), MSc		Appointed 22/06/20
Lisa Chan BSc, MBA	Chair F&R	Appointed 08/03/21
Chris Rolfe BA, FCA	F&R	Appointed 24/06/21
Professor John Cunningham KCVO, DM, FRCP	RSC	Appointed 28/06/21

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 past President of the Renal Association attends trustee committee meetings.

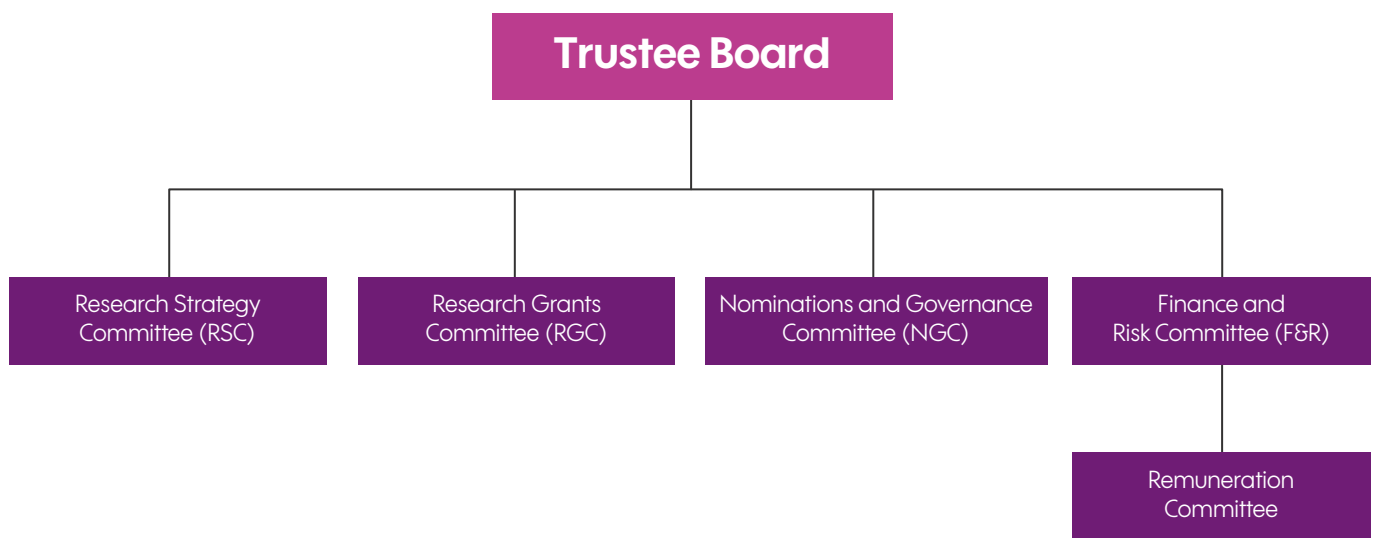
The board comprises 16 trustees. This number may increase for short periods to ensure continuity of knowledge between outgoing and incoming trustees. Skill mix and length of service are monitored through the Nominations and Governance Committee to ensure we keep a good balance on the board and plan succession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

The lay advisory group is made up of individuals with a connection or interest in kidney disease. The group helps drive and strengthen patient and public involvement within the charity alongside involvement in opportunities to influence change more widely. The activities of the group include:

- Offering insight into issues affecting people with and at risk of kidney disease.
- Representing the charity and the patient perspective externally.
- Advising the charity on matters where a lay viewpoint is required.
- Working alongside the patient involvement team to help inform and steer patient involvement activity.
- Reviewing the effectiveness of the charity’s patient involvement activity to aid future involvement.

Management structure

Four executive directors direct the charity on a day-to-day basis. During 2020, this team comprised the chief executive and executive directors of: research, innovation and policy; communications and income generation; and finance and operations. The executive directors are supported by the leadership team.

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 2020/21. Over several years 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 past year, limitations imposed by the pandemic and challenges due to staff being furloughed and a reduced team meant that these opportunities were more limited.

However, on-line professional training and development was taken up across the charity where possible including tone of voice training. Our programme of formal and continuous cyber security training and testing across the charity continued as a focus, being an area of significant risk to the organisation, particularly with the team working remotely during the year.

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. The latest survey in spring 2021 showed positive results overall and highlighted a similar number of areas to be worked on as previously.

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

Our fundraising approach

The commitment from our fundraisers has been incredible over the last year. We are extremely grateful to all our supporters who have continued to create ways to complete their fundraising activities despite the limitations presented by Covid-19.

Many supporters have responded by supporting us through virtual challenges, home-based fundraising activities or making special gifts to ensure we've been able to #KeepResearchGoing. When our physical events were cancelled, hundreds of supporters participated in our virtual challenges including walks, climbs, runs, cycles and quizzes. Many others have encouraged gifts and support from their friends and family. We continue to welcome new supporters to the thousands of people who give to us regularly directly or through their salary.

Our fundraising volunteers don't want any recognition or acknowledgement for their efforts, but we continue to be overwhelmed by the generosity of giving their time, voice and money as we strive to accelerate research into kidney disease. Thank you.

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 that we exceed their expectations.

Because we fundraise in many ways and 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 know that sometimes we don't get things right. Therefore, we encourage supporters to share their ideas on how we can improve and to raise any 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 have not met their expectations and, where appropriate, improve our fundraising practices. During 2020/21 we received 16 complaints, a 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.

Risk management processes 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 which is an effective method of indicating the relative level of risk exposure. Responsibility for monitoring each risk together with mitigating controls/actions is allocated to an Executive Director.
- 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.
- There is a whistleblowing policy in place supported by clear and accessible procedures.

Principal risks identified and mitigating controls

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

Risk	Control
<p>Financial</p> <ul style="list-style-type: none"> ● Ability to raise income at planned level. ● Level of research funding available in 2020/21 smaller than pre pandemic levels, producing an even greater shortfall against demand. 	<ul style="list-style-type: none"> ● Continue to adapt fundraising activity to circumstances while activating the next stage of the charity's income generation strategy. ● Ensure the need for reserves to support the sustainability of the charity is balanced against the need to fund research.
<p>Data security and cyber attacks</p> <ul style="list-style-type: none"> ● Increase in cyber-attacks 	<ul style="list-style-type: none"> ● We are in the process of moving entirely to cloud computing to provide a more protected environment for our data. ● The charity ensures that staff adhere to the KnowBe4 programme of training in security awareness, including simulated attacks. ● Our breach detection systems are tested and closely monitored.
<p>Resource capacity</p> <ul style="list-style-type: none"> ● Smaller staff team, due to the cost saving exercise in the year too meaning team stretched. ● The charity is experiencing increased movement in the staff team which reflects sector wide volatility. 	<ul style="list-style-type: none"> ● The charity has a structured approach to staff support and retention. ● The biennial staff survey provides feedback and highlights areas for improvement. ● Roles and responsibilities of leavers are reviewed before recruitment of replacements to ensure headcount is used most effectively.
<p>Research</p> <ul style="list-style-type: none"> ● Reduced funding means loss of momentum and negative impact on patients, longer term. ● Renal researchers are lost to other disciplines due to lack of funding. 	<ul style="list-style-type: none"> ● Communication and engagement with researchers to be enhanced. ● Reinstatement of grant funding is an urgent priority for the charity.

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 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 is signed on their behalf by:

Jeremy Hughes
Chair

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

Photo on opposite page: Jennifer Colborne, staff nurse at the Royal Hospital for Children in Glasgow, tries out the virtual reality equipment being developed with Kidney Research UK funding to help staff and families with dialysis training.



Opinion

We have audited the financial statements of Kidney Research UK for the year ended 31 March 2021 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 the parent charitable company's affairs as at 31 March 2021 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.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. 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 incorporated the strategic 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the 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 group and parent charitable company; or
- the group and 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement as set out on page 29, 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and other factors such as compliance with legislation in relation to sales tax and payroll tax and fundraising regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, posting inappropriate journals, and the valuation of the unlisted

investments held by Kidney Research Enterprises Limited. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Consideration of the appropriateness of management's assessment of whether unlisted investments held by Kidney Research Enterprises Limited are impaired;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including reviewing the appropriateness of judgements made in relation to revenue recognition.

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

Use of our report

This report is made solely to the group and parent 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 group and parent 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.

Steven Harper (Senior statutory auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date:

10 Queen Street Place, London, EC4R 1AG

Financial statements.



Consolidated statement of financial activities.

(incorporating an Income and Expenditure account)

Year to 31 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	2021 £'000	2020 £'000
Income from:					
Incoming resources from generated funds					
Donations & Legacies	1	5,303	59	5,362	6,006
Other trading activities	12	340	-	340	557
Investment income	2	251	-	251	441
Income from charitable activities	3	23	661	684	2,945
Coronavirus Job Retention Scheme		314	-	314	-
Total income		6,231	720	6,951	9,949
Expenditure from:					
Costs of generating funds					
· Costs of raising donations and legacies		1,522	-	1,522	1,825
· Fundraising trading: cost of goods sold and other costs		238	-	238	395
· Investment management costs		23	-	23	33
		1,783	-	1,783	2,253
Charitable activities					
· Research		1,711	1,514	3,225	6,436
· Awareness and education		812	56	868	1,278
		2,523	1,570	4,093	7,714
Total expenditure	4	4,306	1,570	5,876	9,967
Net income / (expenditure) before investments		1,925	(850)	1,075	(18)
Net gains / (losses) on investments	11	1,667	-	1,667	(989)
Net (expenditure) income for the year		3,592	(850)	2,742	(1,007)
Gross transfers between funds		-	-	-	-
Net movement in funds		3,592	(850)	2,742	(1,007)
Fund balances brought forward at 1 April 2020		5,587	1,631	7,218	8,225
Fund balances brought forward at 31 March 2021		9,179	781	9,960	7,218

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 2021

	Notes	Group*		Charity	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Tangible assets	10	155	226	152	217
Investments	11	10,340	8,411	10,165	8,236
Investments - shares in subsidiary	11	-	-	150	150
Total fixed assets		10,495	8,637	10,467	8,603
Current assets					
Stocks		45	57	-	-
Debtors	13	4,041	5,288	3,906	5,105
Investments	11	7,353	8,408	7,353	8,408
Cash at bank and in hand		2,328	1,366	2,284	1,319
Total current assets		13,767	15,119	13,543	14,832
Liabilities:					
Creditors: amounts falling due within one year	14	(8,856)	(9,503)	(8,788)	(9,368)
Net current assets		4,911	5,616	4,755	5,464
Total assets less current liabilities		15,406	14,253	15,222	14,067
Creditors: amounts falling after one year	15	(5,446)	(7,035)	(5,446)	(7,035)
Net assets		9,960	7,218	9,776	7,032
The funds of the charity					
Restricted funds	16	781	1,631	781	1,631
Designated funds	17	4,703	1,912	4,703	1,912
General funds		4,476	3,675	4,292	3,489
Total Charity funds		9,960	7,218	9,776	7,032

*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 income/(expenditure) of the charity was £ 2,742,000 (2020 (£1,007,000)).

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

Jeremy Hughes
Chairman of Kidney Research UK
 Company Registration Number: 00905963 (England and Wales)

Approved on:

Consolidated statement of cash flows.

Year to 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities:			
Net cash provided by (used in) operating activities	A	(81)	(2,138)
Cash flow from investing activities:			
Dividends and interest from investments		251	441
Purchase of tangible fixed assets		0	(12)
Proceeds from the disposal of investments		6,261	6,162
Investment in Kalium Health Ltd		0	(175)
Purchase of investments		(4,161)	(5,091)
Net cash provided by investing activities		2,351	1,325
Change in cash and cash equivalents in the year		2,270	(813)
Cash and cash equivalents at 1 April	B	7,125	7,938
Cash and cash equivalents at 31 March	B	9,395	7,125

Notes to the statement of cash flows for the year to 31 March 2021.

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

	2021 £'000	2020 £'000
Net movement in funds (as per the statement of financial activities)	2,742	(1,007)
Adjustments for:		
Depreciation charge	71	99
Losses (gains) on investments	(1,667)	989
Dividends and interest from investments	(251)	(441)
(Increase) decrease in stocks	13	(21)
Decrease (increase) in debtors	1,247	485
Increase (decrease) in creditors	(2,236)	(2,242)
Net cash provided by (used in) operating activities	(81)	(2,138)

Consolidated statement of cash flows.

Year to 31 March 2021

B Analysis of net funds

	1 April 2020 £'000	Cash flow £'000	31 March 2021 £'000
Cash at bank and in hand	1,366	962	2,328
Cash held by investment managers (note 11)	5,759	1,308	7,067
Total cash and cash equivalents	7,125	2,270	9,395

Principal accounting policies.

31 March 2021

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 2021; 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 2nd edition effective from January 2019) (the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) 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 for the foreseeable future (being at least one year from the date of approving these financial statements). 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 2022, 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 continuing impact of the COVID-19 pandemic, Trustees are content that the level of the General Fund reserve provides sustainability for the charity to meet its existing commitments. Decisions on new grant commitments in 2021/22 will be made by trustees on the basis of available funds.

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.

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.

Principal accounting policies.

31 March 2021

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.

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.

Principal accounting policies.

31 March 2021

- ◆ 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.

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.

Principal accounting policies.

31 March 2021

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their 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.

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 2021

1 Donations and Legacies

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000
Donations, gifts & appeals	2,686	59	2,745
Legacies	2,617	-	2,617
2021 Total funds	5,303	59	5,362
	Unrestricted funds £'000	Restricted funds £'000	2020 £'000
Donations, gifts & appeals	2,889	69	2,958
Legacies	3,048	-	3,048
2020 Total funds	5,937	69	6,006

2 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000
Income from listed investments and cash	233	-	233
Interest receivable	18	-	18
2021 Total funds	251	-	251
	Unrestricted funds £'000	Restricted funds £'000	2021 £'000
Income from listed investments and cash	362	-	362
Interest receivable	79	-	79
2020 Total funds	441	-	441

3 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2021 £'000
Grants receivable	23	661	684
2021 Total funds	23	661	684
2020 Total funds	360	2,585	2,945

Notes to the financial statements.

31 March 2021

4 Allocated costs	Grants and project expenditure £'000	Directly allocated costs £'000	Support costs £'000	2021 £'000
Costs of generating funds				
Cost of generating voluntary income	-	900	622	1,522
Fundraising trading: costs of goods sold and other costs	-	129	109	238
Investment management costs	-	-	23	23
	-	1,029	754	1,783
Charitable activities				
Research	2,253	486	486	3,225
Education and awareness	56	536	276	868
	2,309	1,022	762	4,093
2021 Total funds	2,309	2,051	1,516	5,876
	Grants and project expenditure £'000	Directly allocated costs £'000	Support costs £'000	2020 Total £'000
Costs of generating funds				
Cost of generating voluntary income	-	1,141	684	1,825
Fundraising trading: costs of goods sold and other costs	-	284	111	395
Investment management costs	-	-	33	33
	-	1,425	828	2,253
Charitable activities				
Research	5,292	578	566	6,436
Education and awareness	234	712	332	1,278
	5,526	1,290	898	7,714
2020 Total funds	5,526	2,715	1,726	9,967

Notes to the financial statements.

31 March 2021

4 Allocated costs cont'd

	Staff costs £'000	Other overheads £'000	Total £'000
CEO/Human resources	251	18	269
Operations	635	472	1,107
Governance	98	43	141
Total support costs	984	533	1,516

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

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:

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Grant commitments at 1 April		15,897		18,278
Commitments made in the year	2,843		5,373	
Adjustments and lapsed grant commitments	(989)		(141)	
Grants payable		1,854		5,232
Grants paid during the year		(3,955)		(7,613)
Commitments at 31 March		13,796		15,897
Commitments at 31 March are payable as follows:				
Within one year (note 14)		8,350		8,862
After more than one year (note 15)		5,446		7,035
		13,796		15,897

Notes to the financial statements.

31 March 2021

In the year, 15 (2020 - 63) research projects and fellowships were awarded during the year, forming part of these audited financial statements. An analysis of awards by host institution can be found on the Charity's website at <https://www.kidneyresearchuk.org/about-us/annual-review-and-accounts>. In addition to the normal underspends, two projects completed earlier than planned due to the impact of the pandemic resulting in a write back against grants. Part of this was reallocated to new grants in the year and part will be spent in 2021/22.

6 Net expenditure for the year

This is stated after charging:

	2021 £'000	2020 £'000
Staff costs (note 7)	2,207	2,465
Auditors' remuneration		
- Statutory audit services	14	17
- Other services	2	2
Depreciation	68	99
Irrecoverable VAT	175	132

7 Employment costs

Employment costs during the year were as follows:

	2021 £'000	2020 £'000
Wages and salaries	1,816	2,019
Social security costs	172	193
Other pension costs and salary sacrifice	219	253
	2,207	2,465

The figures above include redundancy payments of £23,666 (2020: £13,583). Employment costs fell due to a reduction of 8 FTEs in the staff team as a result of the impact of the pandemic on finances. This included a small number of redundancies, voluntary retirements and some reduced hours to align resources with affordability.

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 2021 Number	Ave Headcount 2020 Number	Ave FTE 2021 Number	Ave FTE 2020 Number
Generation of funds	31	37	27	32
Charitable activities				
- Research	14	15	13	14
- Awareness and education	14	16	12	14
Governance	1	1	1	1
	60	69	53	61

Notes to the financial statements.

31 March 2021

7 Employment costs cont'd

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

	2021 Number	2020 Number
£60,000 - £70,000	4	1
£70,001 - £80,000		3
£100,000 - £110,000	1	
£110,000 - £120,000		1

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 2021 there were no out of pocket travelling expenses reimbursed to trustees (2020 £3,718 paid out to 8 trustees). During the year the Chief Executive had no expenses reimbursed (2020 -£1,108).

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 (2020 - £1 million) and the cost for the year ended 31 March 21 remained at £442 (2020 - £442).

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.

10 Tangible fixed assets

Group	Leasehold land and buildings £'000	Computer software & equipment £'000	Fixtures, fittings & equipment £'000	Totals £'000
Cost				
At 1 April 2020	136	184	124	444
Additions				
Disposals			(3)	(3)
At 31 March 2021	136	184	121	441
Depreciation				
At 1 April 2020	34	137	47	218
Charge for year	14	36	18	71
At 31 March 2021	48	173	65	286
Net book values				
At 31 March 2021	88	11	56	155
At 31 March 2020	102	47	77	226

Notes to the financial statements.

31 March 2021

10 Tangible fixed assets cont'd

Charity	Leasehold land and buildings £'000	Computer software & equipment £'000	Fixtures, fittings & equipment £'000	Totals £'000
Cost				
At 1 April 2020	126	184	109	418
Additions				0
At 31 March 2021	126	184	109	418
Depreciation				
At 1 April 2020	26	136	38	200
Charge for year	13	35	17	65
At 31 March 2021	39	171	55	266
Net book values				
At 31 March 2021	87	13	54	152
At 31 March 2020	99	47	71	217

Leasehold, fixtures, fittings and equipment includes assets with a net book value of £ 155,043 at 31 March 2021 (2020: £215,643) in relation to office refurbishment. These assets are depreciated over a period of ten years as set out in the accounting policies.

11 Investments

Group	2021 £'000	2020 £'000
Listed investments		
Market value of listed investments at 1 April	10,885	12,945
Additions at costs	4,161	5,091
Disposals at book value (proceeds £6261k ; realised gain: (£552k)	(5,709)	(6,041)
Net unrealised investment (losses) / gains	1,115	(1,110)
Market value of listed investments at 31 March	10,452	10,885
Cash held by investment managers for re-investment	6,252	4,947
Cash held on deposit	816	812
Unlisted investment		
Kalium Health Ltd investment	175	175
	17,693	16,819
Charity		
Shares in subsidiary undertaking	150	150
	17,845	16,969
Cost of listed investments at 31 March	9,802	11,819

Notes to the financial statements.

31 March 2021

11 Investments cont'd

	2021 £'000	2020 £'000
Allocated as follows:		
Fixed asset investments	10,340	8,411
Current asset investments	7,353	8,408
	17,693	16,819

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 2021, 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 2021 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 2021, the aggregate of the share capital and reserves of Kidney Research Enterprises Limited amounted to £334,500 (2020 - £334,500).

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.

Profit and loss account	2021 Total £'000	2020 Total £'000
Turnover	340	557
Expenses	(238)	(395)
Net profit	102	162
Other interest receivable and similar income	-	-
Profit for the financial year before taxation	102	162
Taxation		
Payment under Gift Aid scheme to Kidney Research UK	(102)	(162)
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.

Notes to the financial statements.

31 March 2021

13 Debtors

	2021	2020
Group	£'000	£'000
Taxation recoverable	64	52
Legacies receivable	2,258	3,228
Trade debtors	120	224
Other debtors	1,355	1,542
Prepayments and accrued income	244	242
	4,041	5,288
Charity		
Taxation recoverable	56	30
Legacies receivable	2,258	3,228
Trade debtors	100	172
Other debtors	1,355	1,542
Prepayments and accrued income	137	133
Amount owed by subsidiary undertaking	-	-
	3,906	5,105

Included within other debtors is a total of £977,918 (2020 - £894,288) which relates to grant debtors receivable after one year.

14 Creditors: amounts falling due within one year

	2021	2020
Group	£'000	£'000
Expense creditors	188	247
Social security and other taxation	62	76
Grants payable (note 5)	8,350	8,862
Taxation payable	1	14
Other creditors	119	136
Accruals and deferred income	136	168
	8,856	9,503
Charity		
Amount owed to subsidiary undertaking	198	212
Expense creditors	-	11
Social security and other taxation	62	76
Grants payable (note 5)	8,350	8,862
Taxation payable	1	14
Other creditors	119	136
Accruals and deferred income	58	57
	8,788	9,368

Notes to the financial statements.

31 March 2021

14 Creditors: amounts falling due within one year cont'd

2021	2020
£'000	£'000

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

Deferred Income brought forward at 1 April 2020	3	-
Additional income deferred during the year	-	3
Brought forward funds released in the year	-	-
Deferred income carried forward at 31 March 2021	3	3

This income is deferred due to receiving income in prior years that has been realised this year.

15 Creditors: amounts falling due after more than one year

2021	2020
£'000	£'000

Group and Charity

Grants payable (note 5)

5,446 7,035

16 Restricted Funds

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

	At 1st April 2020	Income	Expenditure / transfers & grants committed	At 31st March 2021
	£'000	£'000	£'000	£'000
Organ Donation Awareness Project				
. Scottish Government	(10)	20	(17)	(7)
The Renal Association	(11)			(11)
Iron & Muscle				
. Vifor Inc	(376)	165	(79)	(290)
eGFR graphs for early identification of chronic kidney disease				
. Health Foundation (ASSIST-CKD)	(10)	31	(31)	(10)
Making Every Kidney Count	(100)			(100)
Kidney Beam				
. Stoneygate	-	62	(145)	(83)
John Feehally/Stoneygate Research & Innovation Grants				
. Stoneygate	-	10	(727)	(717)
Restricted funds in deficit	(507)	288	(999)	(1,218)

Notes to the financial statements.

31 March 2021

16 Restricted Funds cont'd

	At 1st April 2020	Income	Expenditure / transfers & grants committed	At 31st March 2021
	£'000	£'000	£'000	£'000
Kids Kidney Research	246	64	(246)	64
Andrew Cole	-	34		34
ITOPS . Garfield Weston			125	125
NuRTURE - Pharmaceutical funding via National Renal Translation Research Enterprise - Collaboration	1,660	99	(360)	1,399
Vifor	-	12		12
Transplantation Activity		98	(38)	60
Alexion	-	17		17
PKD		51		51
Masonic Trust	76			76
Answers for aHus Campaign	79		-	79
Fellows Day & Alumni *	32	(3)	(3)	26
Various below £10,000	45	60	(49)	56
Restricted funds in surplus	2,138	432	(571)	1,999
Total Restricted Funds	1,631	720	(1,570)	781

* please refer to Kidney Research UK website for further details

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.

Restricted income has been secured in the year but will not be accounted for until 2021/22, due to contractual terms. Expenditure has been made in 2020/21 against this future income resulting in negative restricted fund balances. The income, when recorded in 2021/22 will clear the negative balances.

Notes to the financial statements.

31 March 2021

17 Designated funds

	At 1 April 2020	New designations	Released/ utilised in year	At 31 March 2021
	£'000	£'000	£'000	£'000
Research and Awareness Fund	1,877	4,667	1,876	4,668
Property Fund	35	-	-	35
Total Designated Funds	1,912	4,667	1,876	4,703

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.

18 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	155	-	155
Fixed asset investments	10,340	-	10,340
Current assets	9,315	4,452	13,767
Creditors: amounts falling due within one year	(5,901)	(2,955)	(8,856)
Creditors: amounts falling due after one year	(4,730)	(716)	(5,446)
Total net assets	9,179	781	9,960

The total unrealised gains as at 31 March 2021 constitute movements on revaluation and amount to £2,201,000 (2020: £2,533,000)

Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	152	-	152
Fixed asset investments	10,315	-	10,315
Current assets	9,091	4,452	13,543
Creditors: amounts falling due within one year	(5,833)	(2,955)	(8,788)
Creditors: amounts falling after one year	(4,730)	(716)	(5,446)
Total net assets	8,995	781	9,776

The total unrealised gains as at 31 March 2021 constitute movements on revaluation and amount to £2,051,000 (2020 - £2,385,000).

Notes to the financial statements.

31 March 2021

19 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.

20 Pensions

The charitable company operates a defined contribution pension scheme. During the year contributions totalling £219,152 (2020 £253,312) were made, with £17,332 (2020 £21,782) payable at the year end.

21 Related Party Transactions

During the year donations of £83,762 (2020 £5,561) 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 Shariff & Prof. Caroline Savage	Birmingham University	£74,671
Dr Jill Norman	UCL Institute of Child Health	£39,998
Dr Jill Norman	University College London	£321,394
Prof Jeremy Hughes	Edinburgh University	£197,629
Dr David Hughes	Royal Hospital for Sick Children, Glasgow	£49,910

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 gift aids its profits up to Kidney Research UK. In 2020/21, Kidney Research Enterprises Limited gift aided £101,964 (2019/20 - £162,148) to Kidney Research UK.

There were no other related party transactions in the year which require disclosure (2020 - none).

Notes to the financial statements.

31 March 2021

22 Prior year Statement of Financial Activities 31 March 2020

	Notes	Un-restricted funds £'000s	Restricted funds £000's	2020 Total funds £'000s	2019 Total funds £000's
Income from:					
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
Total income		7,295	2,654	9,949	9,750
Expenditure on:					
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
		2,253	-	2,253	2,408
Expenditure on charitable activities					
. Research		4,943	1,493	6,436	8,501
. Awareness and education		1,121	157	1,278	1,093
		6,064	1,650	7,714	9,594
Total expenditure	4	8,317	1,650	9,967	12,002
Net (expenditure) / income for the year before investment gains		(1,022)	1,004	(18)	(2,252)
Net (losses) / gains on investments	11	(989)	-	(989)	371
Net (expenditure) / income for the year		(2,011)	1,004	(1,007)	(1,881)
Transfer between funds		(5)	5	-	-
Net movement in funds		(2,016)	1,009	(1,007)	(1,881)
Reconciliation of funds					
Fund balances brought forward at 1 April 2019		7,603	622	8,225	10,105
Fund balances carried forward at 31 March 2020		5,587	1,631	7,218	8,225

Notes to the financial statements.

31 March 2021

23 Prior year Statement of Restricted funds 31 March 2020

	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)
Restricted funds in deficit	(1,033)	696	(169)	(506)
Specialist Registrar (SpR) Club Meeting	(2)	14	(6)	6
Kids Kidney Research Merger	181	69	(4)	246
Research & Innovation Grants				
. John Feehally / Stonegate	-	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)	-
Answers for aHus Campaign	89	-	(10)	79

Notes to the financial statements.

31 March 2021

23 Prior year Statement of Restricted funds cont'd

	At 1st April 2019	Income	Expenditure / transfers & grants committed	At 31st March 2020
	£'000	£'000	£'000	£'000
Fellows Day & Alumni *	40	51	(59)	32
Northern Counties Kidney Research Fund	23	23	(46)	-
Various: below £10,000	7	27	(18)	16
Restricted funds in surplus	1,655	1,961	(1,479)	2,137
Total Restricted Funds	622	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.

24 Prior year Statement of Designated funds

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

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.

25 Prior year Statement of Analysis of net assets between funds

Group	Unrestricted funds £'000s	Restricted funds £'000s	Total 2020 £'000s
Fund balances at 31 March 2020 are represented by:			
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)
Total net assets	4,871	2,347	7,218

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 Lytton of Aldershot

Chief executive

Sandra Currie

Company secretary

Anne-Marie McCarthy

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Charity registration numbers 252892 (England and Wales)
SC 039245 (Scotland)

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