NATIONAL HEART AND LUNG FOUNDATION

England & Wales · Charity number 1048073

Details

Other names	NATIONAL HEART AND LUNG INSTITUTE FOUNDATION
Status	Registered
Legal form	Trust
Registered	1995-07-18
Register	View on the Charity Commission register

Contact

Address	National Heart And Lung Foundation Guy Scadding Building Dovehouse Street London SW3 6LY
Phone	02073518180
Email	Foundation@nhlf.info
Website	www.nhlf.info

Activities

Objects: The objects of the Charity are for the protection and preservation of health and the relief of sickness of persons suffering from diseases and disorders of the heart and lungs and the advancement of education (including by promoting or assisting in the promotion of research and investigation) in the causes and treatment of such diseases and disorders, by the provision of grants, facilities, equipment and premises and such other assistance as the Trustees shall determine.

Activities: The Charity aims to reduce pain, suffering and premature death caused by heart, lung and cardiovascular disease and disorders. The Charity's beneficiary is National Heart and Lung Institute, Faculty of Medicine, Imperial College London, delivering world leading improvements in clinical care, education and research activities. Special areas of interest include COPD and heart failure.

Classification

- **How:** Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE LONDON
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£764,538	£203,415	£24,896,288	0
2024-07-31	£899,496	£176,555	£23,586,811	0
2023-07-31	£659,762	£809,077	£21,143,683	0
2022-07-31	£638,319	£1,036,493	£21,549,115	0
2021-07-31	£631,383	£1,032,439	£22,766,285	0
2020-07-31	£660,676	£1,078,782	£21,101,336	0

Trustees

Name	Role	Appointed
Richard Harry Reid	Chair	
Alexander Ludovic Lindsay		2014-04-16
Baroness Sally Morgan		2017-04-26
Dr MICHAEL HARDING		2014-04-16
Jonathan Piers Worsley Coleman		2024-08-12
Magdalene Sarah Brereton		2015-04-15
PROFESSOR KIM MICHAEL REGINALD FOX		2011-11-29
PROFESSOR SIR MALCOLM GREEN		
Professor Charles James Knight		2020-12-01

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NATIONAL HEART AND LUNG FOUNDATION

England & Wales - Charity number 1048073

Accounts

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 2025

Registered Charity No. 1048073

NATIONAL HEART & LUNG FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Foundation"

Principal Office Guy Scadding Building, Dovehouse Street, London SW3 6LY

Trustees
Richard Reid, Chairman
Magdalene Brereton
Piers Coleman
Professor Kim Fox
Professor Sir Malcolm Green
Dr Michael Harding
Professor Charles Knight
Ludovic Lindsay
Baroness (Sally) Morgan of Huyton

Executive Assistant to the Trustees Lady Rose Houssemayne Du Boulay

Bankers The Royal Bank of Scotland plc
36 St Andrew Square, Edinburgh EH2 2YB

Auditors Knox Cropper LLP, Chartered Accountants,
65 Leadenhall Street, London EC3A 2AD

Investment Manager Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Website www.nhlf.info

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. The funds of the Foundation are made up of a capital fund (£15,846,976), which is an expendable endowment, an unrestricted General Fund (£6,042,224) and one restricted fund: the Viscount Royston Fellowship Fund (£3,007,088) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLF website includes a link to the NHLF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES – PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY – CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **Respiratory:** National Heart & Lung Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £166k as at the end of July 2025.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £700,601 (2024: £899,496). Total expenditure was £139,478 (2024: £176,555). Net gains on investments for the year were £748,354 (2024: gains £1,720,187) which left a surplus for the year of £1,309,477 (2024 surplus £2,443,128). During the year, new grant commitments totalling £23,000, were made.

Performance

The total value of the Foundation's investments at 31 July 2025 was £19,747,444 (£18,824,737 at 31 July 2024). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2025	2024
		£
Investment in unit trusts	19,746,309	18,807,430
Cash held for investment purposes	1,135	17,307
	£19,747,444	£18,824,737

The units held in unit trusts include the following asset allocations:-

Fixed Income	2,354,761	2,060,000
Equities	14,269,438	14,055,748
Property	723,241	658,766
Alternative Assets	2,156,236	1,422,848
Liquid Assets	243,768	627,375
	£19,747,444	£18,824,737

The year-end results and fund balances are set out in the Statement of Financial Activities on page 7 and Balance Sheet on page 8.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the opportunity to make grants. The Trustees have commenced the process of changing the Charitable Status of the National Heart & Lung Foundation to become a Charitable Company Limited by Guarantee and this is anticipated to have been completed during the next accounting period.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies when the charity is entitled to receipt and the amount can be measured with reasonable certainty. This year the Trustees wish to acknowledge legacies received from the estates of Jennifer Carter, William Dutton, Elaine Freedman, Muriel Harvey, Eric Morton, Cynthia Saint and Valerie Saunders.

The Foundation knows of some additional legacy payments amounting to approximately £93k which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

R H Reid
Signed on 20 January 2026 @ 15:00

Richard Reid

20th November 2025

INDEPENDENT AUDITORS' REPORT

Opinion
We have audited the financial statements of National Heart and Lung Foundation (the 'charity') for the year ended 31 July 2025 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:
- give a true and fair view of the state of the charity's affairs as at 31 July 2025 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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.

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Use of the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Countersigned on 20 January 2026 @ 15:03

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date:

NATIONAL HEART & LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JULY 2025

	Notes	------Unrestricted Funds------ General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2025 Total	2024 Total
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	2	189,126	-	-	189,126	387,706
Investment Income	3	421,812	-	89,663	511,475	511,790
TOTAL INCOME		610,938	-	89,663	700,601	899,496
EXPENDITURE ON:						
Raising Funds	4	77,686	-	16,006	93,692	72,177
Charitable Activities	5	36,629	23,221	(14,064)	45,786	104,378
TOTAL RESOURCES EXPENDED		114,315	23,221	1,942	139,478	176,555
Gain/(Loss) on Investments	9	303,582	313,030	131,742	748,354	1,720,187
NET MOVEMENT IN FUNDS		800,205	289,809	219,463	1,309,477	2,443,128
Fund Balances at 1st August 2024		5,242,019	15,557,167	2,787,625	23,586,811	21,143,683
FUND BALANCES AT 31ST JULY 2025		6,042,224	15,846,976	3,007,088	24,896,288	23,586,811

The Charity has no recognised gains and losses other than those included in the figures above. All activities reflected above are continuing activities.

NATIONAL HEART AND LUNG FOUNDATION

BALANCE SHEET AT 31ST JULY 2025

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Investments	7-9	24,657,419		23,734,713	
			24,657,419		23,734,713
CURRENT ASSETS					
Debtors	10	92,650		388,400	
Cash at Bank		350,587		33,809	
		443,237		422,209	
Creditors: Amounts falling due within one year	11	(179,368)		(430,111)	
Net Current Assets / (Liabilities)			263,869		(7,902)
Total Assets less current liabilities			24,921,288		23,726,811
Creditors: Amounts falling due after one year	12		(25,000)		(140,000)
TOTAL NET ASSETS			£24,896,288		£23,586,811
RESTRICTED FUNDS	13		3,007,088		2,787,625
CAPITAL FUNDS					
Expendable Endowment	13, 14		15,846,976		15,557,167
INCOME FUND					
Unrestricted General Fund	13		6,042,224		5,242,019
TOTAL FUNDS			£24,896,288		£23,586,811

Approved by the Board of Trustees on the 20th November 2025 and signed on its behalf by:

R H Reid

Signed on 20 January 2026 @ 15:00

Richard Reid
Chairman

NATIONAL HEART AND LUNG FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2025

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2025 £	2024 £
Cash used by operations	A	(20,345)	(719,852)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		511,475	511,790
Proceeds from the sale of investments		357,062	800,440
Purchase of investments		(547,587)	(635,390)
		320,950	676,840
Change in cash and cash equivalents in the reporting period	B	300,605	(43,012)
Cash and cash equivalents at the beginning of the reporting period		51,116	94,128
Cash and cash equivalents at the end of the reporting period		351,721	51,116

A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	1,309,477	2,443,128
Investment income received	(511,475)	(511,790)
(Gains)/losses in investments (excluding cash balances)	(748,354)	(1,720,187)
Decrease/(Increase) in debtors	295,750	(308,400)
(Decrease)/Increase in creditors	(365,743)	(622,603)
Net cash used by operations	(20,345)	(719,852)

B. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2024 £	Cash flow £	At 31 July 2025 £
Cash at bank and in hand	33,809	316,778	350,587
Cash held by investment manager	17,307	(16,172)	1,135
	51,116	300,606	351,722

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

1. ACCOUNTING POLICIES

(a) The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

(c) Income from listed investments is accounted for on an accruals basis, grossed up for tax recoverable where appropriate. Interest from cash on deposit is accounted for on an accruals basis.

(d) Expenditure is accounted for on an accruals basis.

(e) The cost of generating voluntary income includes investment management fees and advertising costs.

(f) Costs of charitable activities consist of research grants.

(g) Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(h) Investments are stated at mid-market value. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Statement of Financial Activities and added to or deducted from the funds to which they relate.

(i) Social investments represent land and buildings which were transferred from the National Heart and Lung Institute in 1995. The building is occupied rent free by the Charity's beneficiary the National Heart & Lung Institute.

(j) Unrestricted funds are those funds which can be used at the Trustees' discretion. Expendable Endowment funds are those funds where the intention is that capital be maintained and the income spent, but in certain circumstances the capital can be spent. Restricted funds are funds which have been earmarked by the donors to be spent on specific projects.

(k) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attaching are fulfilled.

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

1. ACCOUNTING POLICIES (Continued)

(l) The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland': the requirements of Section 7 Statement of Cash Flows.

(m) The Charity is not registered for VAT and accordingly, where applicable, all costs incurred are inclusive of VAT.

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

2. DONATIONS AND LEGACIES

	2025			
	NHLF	VRFT	TOTAL	2024
	£	£	£	£
Donations	56,822	-	56,822	55,806
Legacies	132,304	-	132,304	331,900
	189,126	-	189,126	387,706

3. INVESTMENT INCOME

	2025			
	NHLF	VRFT	TOTAL	2024
	£	£	£	£
Income from listed investments	419,393	89,194	508,587	508,890
Interest on cash deposit	2,419	469	2,888	2,900
	421,812	89,663	511,475	511,790

4. RAISING FUNDS

	2025			
	NHLF	VRFT	TOTAL	2024
	£	£	£	£
Investment Management Fees	74,960	16,006	90,966	69,992
Advertising	1,605	-	1,605	1,605
Computer Support	588	-	588	382
Professional Fees	533	-	533	198
	77,686	16,006	93,692	72,177

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

5. CHARITABLE ACTIVITIES

Direct Grants to NHLI Faculty of Medicine Imperial College London	2025 £	2024 £
- Endowment Fund	23,221	-
- General Fund	(49,873)	40,000
- VRFT	(14,064)	-
Grant to National Heart and Lung Foundation	5,000	-
Support Cost (see note 6)	81,502	64,378
	£45,786	£104,378

6. SUPPORT COSTS

Secretarial costs	17,657	12,070
Legal costs	-	35,516
Bank Charges	205	216
	17,862	47,802
Governance costs		
Audit fee	6,960	6,480
Legal and professional fees	56,680	10,096
Total Governance costs	63,640	16,576
	81,502	64,378

Administration costs including the provision of a meeting room have been borne by Imperial College London. These costs are not material.
Legal and professional costs above include Directors and Officers insurance of £10k.
No remuneration directly or indirectly out of the funds of the Foundation was paid or is payable for the year to any of the Trustees.
Total travel and subsistence expenses reimbursed to one trustee in the year was £64.

7. INVESTMENTS

	2025 £	2024 £
Social Investments	4,909,975	4,909,975
Quoted Investments	19,746,309	18,807,430
Cash held for investment purposes	1,135	17,307
Total Investments	24,657,419	£23,734,712

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

8. INVESTMENTS – SOCIAL INVESTMENTS

	2025 £	2024 £
Balance at 1st August 2024 and at 31st July 2025	4,909,975	£4,909,975

The Charity holds a 50% interest in the freehold of the property at 1B Manresa Road. This is occupied rent free by the National Heart and Lung Institute, Faculty of Medicine, Imperial College London. The building is disclosed at the amount at which it was transferred in 1995 from The National Heart and Lung Institute.

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES

		2025 £	2024 £
(a)	Quoted investments (at market value)		
	- NHLF	16,263,341	15,536,545
	- Viscount Royston Fellowship Trust	3,482,968	3,270,885
		19,746,309	18,807,430
	Cash held for investment purposes		
	- NHLF	923	10,593
	- Viscount Royston Fellowship Trust	212	6,714
		19,747,444	£18,824,737

All the quoted investments are held in the form of units in unit trusts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES (Continued)

		2025 £	2024 £
(b)	Movements in quoted investments		
	Balance brought forward at 1st August	18,807,430	17,252,295
	Additions	547,587	635,390
	Sale proceeds	(357,062)	(800,442)
	Realised and unrealised gain/(loss) - NHLF	616,612	1,615,201
	- VRFT	131,742	104,986
	Balance carried forward at 31st July	19,746,309	18,807,430
	Investments at Cost – NHLF	12,313,632	£12,037,796
	Investment at Cost – VRFT	2,194,817	£2,089,623
(c)	Investments held comprise units in one unit trusts:		
	4,207,850 (2024: 4,260,089) - Sarasin Endowment Fund (Accumulation)	16,263,341	15,536,545
	901,156 (2024: 896,969) - Sarasin Endowment Fund (Accumulation) – VRFT	3,482,968	3,270,885
		19,746,309	£18,807,430

(d) The units held in unit trusts include the following asset allocations:-

Fixed Income	2,354,761	2,060,000
Equities	14,269,438	14,055,748
Property	723,241	658,766
Alternative Investments	2,156,236	1,422,848
Liquid Assets	243,768	627,374
	19,747,444	£18,824,737

10. DEBTORS

Other Debtors	92,650	388,400
	£92,650	£388,400

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

11. LIABILITIES: amounts falling due within one year

		2025	2024
		£	£
Grants payable to Imperial College London	- VRFT	-	31,302
	- General Fund	141,462	172,639
	- Endowment Fund	-	189,580
Audit and Accountancy		6,900	6,480
Professional Fees		1,250	1,000
Other Creditors and deferred income		29,756	29,110
		£179,368	£430,111

12. GRANTS PAYABLE

		2025	2024
		£	£
Commitments at 1st August 2024		533,521	1,142,710
Commitments made in the year	- General Fund	(49,873)	40,000
Commitments made in the year	- Endowment Fund	23,221	-
Commitments made in the year	- VRFT	(14,064)	-
Grants paid during the year	- General Fund	(96,304)	(210,788)
Grants paid during the year	- Endowment Fund	(212,801)	(335,431)
Grants paid during the year	- VRFT	(17,238)	(102,970)
Commitments at 31st July 2025		166,462	£533,521
Commitments at 31st July 2025 are payable as follows:			
Within one year	- General Fund	141,462	172,639
	- Endowment Fund	-	189,580
	- VRFT	-	31,302
		141,462	393,521
After one year	- NHLF	25,000	140,000
	- VRFT	-	-
		-	140,000
		166,462	£533,521

13. FUNDS

	Balance Brought Forward at 1 August 2024	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2025
Unrestricted Funds					
General funds	5,242,019	303,582	610,938	(114,315)	6,042,224
Endowment Funds	15,557,167	313,030	-	(23,221)	15,846,976
	20,799,186	616,612	610,938	(137,536)	21,889,200
Restricted Funds					
Viscount Royston Fellowship Trust	2,787,625	131,742	89,663	(1,942)	3,007,088
	£23,586,811	£748,354	700,601	(£139,478)	£24,896,288

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

13. FUNDS (Continued)

	Balance Brought Forward at 1 August 2023	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2024
Unrestricted Funds					
General funds	4,013,073	581,437	811,860	(164,351)	5,242,019
Endowment Funds	14,717,615	839,552	-	-	15,557,167
	18,730,688	1,420,989	811,860	(164,351)	20,799,186
Restricted Funds					
Viscount Royston Fellowship Trust	2,412,995	299,198	87,636	(12,204)	2,787,625
	£21,143,683	£1,720,187	£899,496	(£176,555)	£23,586,811

Viscount Royston Fellowship Trust Fund is dedicated in perpetuity for research into diseases of the heart muscle and into heart disease generally.

14. EXPENDABLE ENDOWMENT

The balance on Expendable Endowment represents donations and bequests received which could be expended at the Trustees' discretion. Investment income arising on Endowment Fund assets can be applied to the generality of the Charity's objects.

15. TAXATION

The National Heart and Lung Foundation is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part II of the Corporation Tax Act 2010 to the extent that such income or gains are applied for exclusively charitable purposes.

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2025

16. PRIOR YEAR COMPARATIVES

The breakdown between funds of income and expenditure for the year ending 31st July 2024 was as follows:

	-------Unrestricted Funds-------			
	Unrestricted General Fund	**Endowment Fund**	**Restricted Viscount Royston Fellowship Fund**	**2024 Total**
	£	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies	387,706	-	-	387,706
Investment Income	424,154	-	87,636	511,790
TOTAL INCOME	811,860	-	87,636	899,496
EXPENDITURE ON:				
Raising Funds	59,973	-	12,204	72,177
Charitable Activities	104,378	-	-	104,378
TOTAL RESOURCES EXPENDED	164,351	-	12,204	176,555
Gain/(Loss) on Investments	581,437	839,552	299,198	1,720,187
NET MOVEMENT IN FUNDS	1,228,946	839,552	374,630	2,443,128
Fund Balances at 1st August 2023	4,013,073	14,717,615	2,412,995	21,143,683
FUND BALANCES AT 31ST JULY 2024	5,242,019	15,557,167	2,787,625	23,586,811

NATIONAL HEART AND LUNG FOUNDATION

England & Wales - Charity number 1048073

Accounts

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 2024

Registered Charity No. 1048073

NATIONAL HEART & LUNG FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Foundation"

Principal Office Guy Scadding Building, Dovehouse Street, London SW3 6LY

Trustees
Richard Reid, Chairman
Magdalene Brereton
Professor Kim Fox
Professor Sir Malcolm Green
Dr Michael Harding
Professor Charles Knight
Ludovic Lindsay
Baroness (Sally) Morgan of Huyton

Secretary to the Trustees Mrs Caroline M Wicks

Bankers The Royal Bank of Scotland plc
36 St Andrew Square, Edinburgh EH2 2YB

Auditors Knox Cropper LLP, Chartered Accountants,
65 Leadenhall Street, London EC3A 2AD

Investment Manager Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Website www.nhlf.info

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. The funds of the Foundation are made up of a capital fund (£15,557,167), which is an expendable endowment, an unrestricted General Fund (£5,242,019) and one restricted fund; the Viscount Royston Fellowship Fund (£2,787,625) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLF website includes a link to the NHLF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES – PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY – CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **Respiratory:** National Heart & Lung Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £534k as at the end of July 2024.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £899,496 (2023: £659,762). Total expenditure was £176,555 (2023: £809,077). Net gains on investments for the year were £1,720,187 (2023: losses £256,117) which left a surplus for the year of £2,443,128 (2023 deficit £405,432). During the year, new grant commitments totalling £40,000, were made.

Performance

The total value of the Foundation's investments at 31 July 2024 was £18,848,737 (£17,278,181 at 31 July 2023). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2024	2023
		£
Investment in unit trusts	18,807,430	17,252,294
Cash held for investment purposes	17,307	25,887
	£18,824,737	£17,278,181

The units held in unit trusts include the following asset allocations:-

Fixed Income	2,060,000	2,517,726
Equities	14,055,748	11,479,720
Property	658,766	703,575
Alternative Assets	1,422,848	1,611,787
Liquid Assets	627,375	965,373
	£18,824,737	£17,278,181

The year-end results and fund balances are set out in the Statement of Financial Activities on page 7 and Balance Sheet on page 8.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the opportunity to make grants. The Trustees have commenced the process of changing the Charitable Status of the National Heart & Lung Foundation to become a Charitable Company Limited by Guarantee and this is anticipated to have been completed during the next accounting period.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies when the charity is entitled to receipt and the amount can be measured with reasonable certainty. This year the Trustees wish to acknowledge legacies received from the estates of Raymond Henson, Linda May Milton, Roger Philip Selman, and Richard Michael Trezise.

The Foundation knows of some additional legacy payments amounting to approximately £383k which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

R H Reid
Signed on 04/12/24 @ 10:15

Richard Reid

18th November 2024

INDEPENDENT AUDITORS' REPORT

Opinion
We have audited the financial statements of National Heart and Lung Foundation (the 'charity') for the year ended 31 July 2024 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:
- give a true and fair view of the state of the charity's affairs as at 31 July 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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.

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Use of the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Signed on 04/12/24 @ 15:24

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 18th November 2024

NATIONAL HEART & LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JULY 2024

	Notes	------Unrestricted Funds------ General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2024 Total	2023 Total
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	2	387,706	-	-	387,706	157,733
Investment Income	3	424,154	-	87,636	511,790	502,029
TOTAL INCOME		811,860	-	87,636	899,496	659,762
EXPENDITURE ON:						
Raising Funds	4	59,973	-	12,204	72,177	84,644
Charitable Activities	5	104,378	-	-	104,378	724,433
TOTAL RESOURCES EXPENDED		164,351	-	12,204	176,555	809,077
Gain/(Loss) on Investments	9	581,437	839,552	299,198	1,720,187	(256,117)
NET MOVEMENT IN FUNDS		1,228,946	839,552	374,630	2,443,128	(405,432)
Fund Balances at 1st August 2023		4,013,073	14,717,615	2,412,995	21,143,683	21,549,155
FUND BALANCES AT 31ST JULY 2024		5,242,019	15,557,167	2,787,625	23,586,811	21,143,683

The Charity has no recognised gains and losses other than those included in the figures above. All activities reflected above are continuing activities.

NATIONAL HEART AND LUNG FOUNDATION

BALANCE SHEET AT 31ST JULY 2024

	Notes	2024		2023	
		£	£	£	£
FIXED ASSETS					
Investments	7-9	23,734,713		22,188,156	
			23,734,713		22,188,156
CURRENT ASSETS					
Debtors	10	388,400		80,000	
Cash at Bank		33,809		68,241	
		422,209		148,241	
Creditors: Amounts falling due within one year	11	(430,111)		(910,108)	
Net Current Assets / (Liabilities)			(7,902)		(761,867)
Total Assets less current liabilities			23,726,811		21,426,289
Creditors: Amounts falling due after one year	12		(140,000)		(282,606)
TOTAL NET ASSETS			£23,586,811		£21,143,683
RESTRICTED FUNDS	13		2,787,625		2,412,995
CAPITAL FUNDS					
Expendable Endowment	13, 14		15,557,167		14,717,615
INCOME FUND					
Unrestricted General Fund	13		5,242,019		4,013,073
TOTAL FUNDS			£23,586,811		£21,143,683

Approved by the Board of Trustees on the 18th November 2024 and signed on its behalf by:

R H Reid
Signed on 04/12/24 @ 10:15

Richard Reid
Chairman

NATIONAL HEART AND LUNG FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2024

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2024 £	2023 £
Cash used by operations	A	(719,852)	(1,174,229)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		511,790	502,029
Proceeds from the sale of investments		800,440	766,724
Purchase of investments		(635,390)	(499,104)
		676,840	769,649
Change in cash and cash equivalents in the reporting period	B	(43,012)	(404,580)
Cash and cash equivalents at the beginning of the reporting period		94,128	498,708
Cash and cash equivalents at the end of the reporting period		51,116	94,128

A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	2,443,128	(405,432)
Investment income received	(511,790)	(502,029)
(Gains)/losses in investments (excluding cash balances)	(1,720,187)	256,117
(Increse) in debtors	(308,400)	(64,170)
(Decrease)/Increase in creditors	(622,603)	(458,715)
Net cash used by operations	(719,852)	(1,174,229)

B. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2023 £	Cash flow £	At 31 July 2024 £
Cash at bank and in hand	68,241	(34,432)	33,809
Cash held by investment manager	25,887	(8,580)	17,307
	94,128	(43,012)	51,116

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

1. ACCOUNTING POLICIES

(a) The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

(c) Income from listed investments is accounted for on an accruals basis, grossed up for tax recoverable where appropriate. Interest from cash on deposit is accounted for on an accruals basis.

(d) Expenditure is accounted for on an accruals basis.

(e) The cost of generating voluntary income includes investment management fees and advertising costs.

(f) Costs of charitable activities consist of research grants.

(g) Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(h) Investments are stated at mid-market value. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Statement of Financial Activities and added to or deducted from the funds to which they relate.

(i) Social investments represent land and buildings which were transferred from the National Heart and Lung Institute in 1995. The building is occupied rent free by the Charity's beneficiary the National Heart & Lung Institute.

(j) Unrestricted funds are those funds which can be used at the Trustees' discretion. Expendable Endowment funds are those funds where the intention is that capital be maintained and the income spent, but in certain circumstances the capital can be spent. Restricted funds are funds which have been earmarked by the donors to be spent on specific projects.

(k) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attaching are fulfilled.

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

1. ACCOUNTING POLICIES (Continued)

(l) The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland': the requirements of Section 7 Statement of Cash Flows.

(m) The Charity is not registered for VAT and accordingly, where applicable, all costs incurred are inclusive of VAT.

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

2. DONATIONS AND LEGACIES

	2024			
	NHLF	VRFT	TOTAL	2023
	£	£	£	£
Donations	55,806	-	55,806	60,208
Legacies	331,900	-	331,900	97,525
	387,706	-	387,706	157,733

3. INVESTMENT INCOME

	2024			
	NHLF	VRFT	TOTAL	2023
	£	£	£	£
Income from listed investments	421,709	87,181	508,890	499,104
Interest on cash deposit	2,445	455	2,900	2,925
	424,154	87,636	511,790	502,029

4. RAISING FUNDS

	2024			
	NHLF	VRFT	TOTAL	2023
	£	£	£	£
Investment Management Fees	57,788	12,204	69,992	82,708
Advertising	1,605	-	1,605	1,605
Computer Support	382	-	382	331
Professional Fees	198	-	198	-
	59,973	12,204	72,177	84,644

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

5. CHARITABLE ACTIVITIES

Direct Grants to NHLI Faculty of Medicine Imperial College London	2024 £	2023 £
- Endowment Fund	-	700,000
- General Fund	40,000	-
- VRFT	-	(50,000)
Support Costs (see note 6)	64,378	74,433
	£104,378	£724,433

6. SUPPORT COSTS

Secretarial costs	12,070	12,312
Legal costs	35,516	40,589
Bank Charges	216	217
	47,802	53,118
Governance costs		
Audit fee	6,480	6,420
Legal and professional fees	10,096	14,895
Total Governance costs	16,576	21,315
	64,378	74,433

Administration costs including the provision of a meeting room have been borne by Imperial College London. These costs are not material.
No remuneration directly or indirectly out of the funds of the Foundation was paid or is payable for the year to any of the Trustees.
No reimbursement of expenses has been made or is due to be made to any of the Trustees.

7. INVESTMENTS

	2024 £	2023 £
Social Investments	4,909,975	4,909,975
Quoted Investments	18,807,430	17,252,294
Cash held for investment purposes	17,307	25,887
Total Investments	23,734,712	£22,188,156

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

8. INVESTMENTS – SOCIAL INVESTMENTS

	2024 £	2023 £
Balance at 1st August 2023 and at 31st July 2024	4,909,975	£4,909,975

The Charity holds a 50% interest in the freehold of the property at 1B Manresa Road. This is occupied rent free by the National Heart and Lung Institute, Faculty of Medicine, Imperial College London. The building is disclosed at the amount at which it was transferred in 1995 from The National Heart and Lung Institute.

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES

		2024 £	2023 £
(a)	Quoted investments (at market value)		
	- NHLF	15,536,545	14,372,294
	- Viscount Royston Fellowship Trust	3,270,885	2,880,000
		18,807,430	17,252,294
	Cash held for investment purposes		
	- NHLF	10,593	869
	- Viscount Royston Fellowship Trust	6,714	25,018
		18,824,737	£17,278,181

All the quoted investments are held in the form of units in unit trusts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES (Continued)

		2024 £	2023 £
(b)	Movements in quoted investments		
	Balance brought forward at 1st August	17,252,295	17,776,031
	Additions	635,390	499,104
	Sale proceeds	(800,442)	(766,724)
	Realised and unrealised gain/(loss) - NHLF	1,615,201	(215,086)
	- VRFT	104,986	(41,031)
	Balance carried forward at 31st July	18,807,430	17,252,294
	Investments at Cost – NHLF	12,037,796	£12,082,101
	Investment at Cost – VRFT	2,089,623	£1,975,942
(c)	Investments held comprise units in one unit trusts:		
	4,260,089 (2023: 4,434,425) - Sarasin Alpha Charity Fund (Accumulation)	15,536,545	14,372,294
	896,969 (2023: 888,614) - Sarasin Alpha Charity Fund (Accumulation) – VRFT	3,270,885	2,880,000
		18,807,430	£17,252,294

(d) The units held in unit trusts include the following asset allocations:-

Fixed Income	2,060,000	2,517,726
Equities	14,055,748	11,479,720
Property	658,766	703,575
Alternative Investments	1,422,848	1,611,787
Liquid Assets	627,374	965,373
	18,824,737	£17,278,181

10. DEBTORS

Other Debtors	388,400	80,000
	£388,400	£80,000

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

11. LIABILITIES: amounts falling due within one year

		2024	2023
		£	£
Grants payable to Imperial College London	- VRFT	31,302	116,667
	- General Fund	172,639	218,426
	- Endowment Fund	189,580	525,011
Audit and Accountancy		6,480	6,180
Professional Fees		1,000	1,000
Other Creditors and deferred income		29,110	42,824
		£430,111	£910,108

12. GRANTS PAYABLE

		2024	2023
		£	£
Commitments at 1st August 2023		1,142,710	1,600,454
Commitments made in the year	- General Fund	40,000	-
Commitments made in the year	- Endowment Fund	-	700,000
Commitments made in the year	- VRFT	-	(50,000)
Grants paid during the year	- General Fund	(210,788)	(141,484)
Grants paid during the year	- Endowment Fund	(335,431)	(857,663)
Grants paid during the year	- VRFT	(102,970)	(108,597)
Commitments at 31st July 2024		533,521	£1,142,710
Commitments at 31st July 2024 are payable as follows:			
Within one year	- General Fund	172,639	218,426
	- Endowment Fund	189,580	525,011
	- VRFT	31,302	116,667
		393,521	860,104
After one year	- NHLF	140,000	265,000
	- VRFT	-	17,606
		140,000	282,606
		533,521	£1,142,710

13. FUNDS

	Balance Brought Forward at 1 August 2023	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2024
Unrestricted Funds					
General funds	4,013,073	581,437	811,860	(164,351)	5,242,019
Endowment Funds	14,717,615	839,552	-	-	15,557,167
	18,730,688	1,420,989	811,860	(164,351)	20,799,186
Restricted Funds					
Viscount Royston Fellowship Trust	2,412,995	299,198	87,636	(12,204)	2,787,625
	£21,143,683	£1,720,187	899,496	(£176,555)	£23,586,811

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

13. FUNDS (Continued)

	Balance Brought Forward at 1 August 2022	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2023
Unrestricted Funds					
General funds	3,653,774	(73,798)	578,475	(145,378)	4,013,073
Endowment Funds	15,558,903	(141,288)	-	(700,000)	14,717,615
	19,216,677	(215,086)	578,475	(845,378)	18,730,688
Restricted Funds					
Viscount Royston Fellowship Trust	2,336,438	(41,031)	81,287	36,301	2,412,995
	£21,549,115	£(256,117)	£659,762	(£809,077)	£21,143,683

Viscount Royston Fellowship Trust Fund is dedicated in perpetuity for research into diseases of the heart muscle and into heart disease generally.

14. EXPENDABLE ENDOWMENT

The balance on Expendable Endowment represents donations and bequests received which could be expended at the Trustees' discretion. Investment income arising on Endowment Fund assets can be applied to the generality of the Charity's objects.

15. TAXATION

The National Heart and Lung Foundation is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part II of the Corporation Tax Act 2010 to the extent that such income or gains are applied for exclusively charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2024

16. PRIOR YEAR COMPARATIVES

The breakdown between funds of income and expenditure for the year ending 31st July 2023 was as follows:

	-------Unrestricted Funds-------			
	Unrestricted General Fund	**Endowment Fund**	**Restricted Viscount Royston Fellowship Fund**	**2023 Total**
	£	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies	157,733	-	-	157,733
Investment Income	420,742	-	81,287	502,029
TOTAL INCOME	578,475	-	81,287	659,762
EXPENDITURE ON:				
Raising Funds	70,945	-	13,699	84,644
Charitable Activities	74,433	700,000	(50,000)	724,433
TOTAL RESOURCES EXPENDED	145,378	700,000	(36,301)	809,077
Gain/(Loss) on Investments	(73,798)	(141,288)	(41,031)	(256,117)
NET MOVEMENT IN FUNDS	359,299	(841,288)	76,557	(405,432)
Fund Balances at 1st August 2022	3,653,774	15,558,903	2,336,438	21,549,115
FUND BALANCES AT 31ST JULY 2023	4,013,073	14,717,615	2,412,995	21,143,683

NATIONAL HEART AND LUNG FOUNDATION

England & Wales - Charity number 1048073

Accounts

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 2023

Registered Charity No. 1048073

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Foundation"

Principal Office Guy Scadding Building, Dovehouse Street, London SW3 6LY

Trustees
Richard Reid, Chairman
Magdalene Brereton
Professor Edwin Chilvers (resigned 31st May 2023)
Professor Kim Fox
Professor Sir Malcolm Green
Dr Michael Harding
Professor Charles Knight
Ludovic Lindsay
Baroness (Sally) Morgan of Huyton
Dr Paul Oldershaw (resigned 10 November 2022)

Secretary to the Trustees Mrs Caroline M Wicks

Bankers
The Royal Bank of Scotland plc
36 St Andrew Square, Edinburgh EH2 2YB

Auditors
Knox Cropper LLP, Chartered Accountants,
65 Leadenhall Street, London EC3A 2AD

Investment Manager Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Website www.nhlf.info

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. The funds of the Foundation are made up of a capital fund (£14,717,615), which is an expendable endowment, an unrestricted General Fund (£4,013,073) and one restricted fund; the Viscount Royston Fellowship Fund (£2,412,995) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLF website includes a link to the NHLF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES – PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY – CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **Respiratory:** National Heart & Lung Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £1.142m as at the end of July 2023.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £659,762 (2022: £638,319). Total expenditure was £809,077 (2022: £1,036,493). Net losses on investments for the year were £256,117 (2022: losses £818,996) which left a deficit for the year of £405,432 (2022 deficit £1,217,170). During the year, new grant commitments totalling £650,000, were made.

Performance

The total value of the Foundation's investments at 31 July 2023 was £17,278,181 (£18,018,145 at 31 July 2022). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2023	2022
		£
Investment in unit trusts	17,252,294	17,776,031
Cash held for investment purposes	25,887	242,114
	£17,278,181	£18,018,145

The units held in unit trusts include the following asset allocations:-

Fixed Income	2,517,726	1,396,851
Equities	11,479,720	10,440,971
Property	703,575	2,048,498
Alternative Assets	1,611,787	2,516,865
Liquid Assets	965,373	1,614,960
	£17,278,181	£18,018,145

The year-end results and fund balances are set out in the Statement of Financial Activities on page 7 and Balance Sheet on page 8.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the opportunity to make grants. The Trustees have commenced the process of changing the Charitable Status of the National Heart & Lung Foundation to become a Charitable Company Limited by Guarantee and this is anticipated to have been completed during the next accounting period.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies on receipt. This year the Trustees wish to acknowledge legacies received from the estates of Nellie Jackson, Joyce Ledgard, Marguerite Salter, Jean Tasker, Patricia Watkins and Margaret Williams.

The Foundation knows of some additional legacy payments amounting to approximately £80,000 which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

R H Reid
Signed on 18/05/24 @ 08:04

17th May 2024

Richard Reid

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of National Heart and Lung Foundation (the 'charity') for the year ended 31 July 2023 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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.

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Use of the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP
Signed on 20/05/24 @ 09:44

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 17th May 2024

NATIONAL HEART & LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JULY 2023

	Notes	------Unrestricted Funds------ General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2023 Total	2022 Total
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	2	157,733	-	-	157,733	138,182
Investment Income	3	420,742	-	81,287	502,029	500,137
TOTAL INCOME		578,475	-	81,287	659,762	638,319
EXPENDITURE ON:						
Raising Funds	4	70,945	-	13,699	84,644	90,288
Charitable Activities	5	74,433	700,000	(50,000)	724,433	946,205
TOTAL RESOURCES EXPENDED		145,378	700,000	(36,301)	809,077	1,036,493
Gain/(Loss) on Investments	9	(73,798)	(141,288)	(41,031)	(256,117)	(818,996)
NET MOVEMENT IN FUNDS		359,299	(841,288)	76,557	(405,432)	(1,217,170)
Fund Balances at 1st August 2022		3,653,774	15,558,903	2,336,438	21,549,115	22,766,285
FUND BALANCES AT 31ST JULY 2023		4,013,073	14,717,615	2,412,995	21,143,683	21,549,115

The Charity has no recognised gains and losses other than those included in the figures above. All activities reflected above are continuing activities.

NATIONAL HEART AND LUNG FOUNDATION

BALANCE SHEET AT 31ST JULY 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Investments	7-9	22,188,156		22,928,120	
			22,188,156		22,928,120
CURRENT ASSETS					
Debtors	10	80,000		15,830	
Cash at Bank		68,241		256,594	
		148,241		272,424	
Creditors: Amounts falling due within one year	11	(910,108)		(1,194,762)	
Net Current Assets / (Liabilities)			(761,867)		(922,338)
Total Assets less current liabilities			21,426,289		22,005,782
Creditors: Amounts falling due after one year	12		(282,606)		(456,667)
TOTAL NET ASSETS			£21,143,683		£21,549,115
RESTRICTED FUNDS	13		2,412,995		2,336,438
CAPITAL FUNDS					
Expendable Endowment	13, 14		14,717,615		15,558,903
INCOME FUND					
Unrestricted General Fund	13		4,013,073		3,653,774
TOTAL FUNDS			£21,143,683		£21,549,115

Approved by the Board of Trustees on the 17th May 2024 and signed on its behalf by:

R H Reid
Signed on 18/05/24 @ 08:04

Richard Reid
Chairman

NATIONAL HEART AND LUNG FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2023

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2023 £	2022 £
Cash used by operations	A	(1,174,229)	(856,712)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		502,029	500,137
Proceeds from the sale of investments		766,724	801,048
Purchase of investments		(499,104)	(499,902)
		769,649	801,283
Change in cash and cash equivalents in the reporting period	B	(404,580)	(55,429)
Cash and cash equivalents at the beginning of the reporting period		498,708	554,137
Cash and cash equivalents at the end of the reporting period		94,128	498,708

A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(405,432)	(1,217,170)
Investment income received	(502,029)	(500,137)
(Gains)/losses in investments (excluding cash balances)	256,117	818,996
(Increse) in debtors	(64,170)	(12,751)
(Decrease)/Increase in creditors	(458,715)	54,350
Net cash used by operations	(1,174,229)	(856,712)

B. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2022 £	Cash flow £	At 31 July 2023 £
Cash at bank and in hand	256,594	(188,353)	68,241
Cash held by investment manager	242,114	(216,227)	25,887
	498,708	(404,580)	94,128

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

1. ACCOUNTING POLICIES

(a) The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

(c) Income from listed investments is accounted for on an accruals basis, grossed up for tax recoverable where appropriate. Interest from cash on deposit is accounted for on an accruals basis.

(d) Expenditure is accounted for on an accruals basis.

(e) The cost of generating voluntary income includes investment management fees and advertising costs.

(f) Costs of charitable activities consist of research grants.

(g) Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(h) Investments are stated at mid-market value. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Statement of Financial Activities and added to or deducted from the funds to which they relate.

(i) Social investments represent land and buildings which were transferred from the National Heart and Lung Institute in 1995. The building is occupied rent free by the Charity's beneficiary the National Heart & Lung Institute.

(j) Unrestricted funds are those funds which can be used at the Trustees' discretion. Expendable Endowment funds are those funds where the intention is that capital be maintained and the income spent, but in certain circumstances the capital can be spent. Restricted funds are funds which have been earmarked by the donors to be spent on specific projects.

(k) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attaching are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

1. ACCOUNTING POLICIES (Continued)

(l) The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland': the requirements of Section 7 Statement of Cash Flows.

(m) The Charity is not registered for VAT and accordingly, where applicable, all costs incurred are inclusive of VAT.

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

2. DONATIONS AND LEGACIES

	2023			
	NHLF	VRFT	TOTAL	2022
	£	£	£	£
Donations	60,208	-	60,208	26,904
Legacies	97,525	-	97,525	111,278
	157,733	-	157,733	138,182

3. INVESTMENT INCOME

	2023			
	NHLF	VRFT	TOTAL	2022
	£	£	£	£
Income from listed investments	418,394	80,710	499,104	499,983
Interest on cash deposit	2,348	577	2,925	154
	420,742	81,287	502,029	500,137

4. RAISING FUNDS

	2023			
	NHLF	VRFT	TOTAL	2022
	£	£	£	£
Investment Management Fees	69,009	13,699	82,708	88,351
Advertising	1,605	-	1,605	1,605
Computer Support	331	-	331	332
Professional Fees	-	-	-	-
	70,945	13,699	84,644	90,288

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

5. CHARITABLE ACTIVITIES

Direct Grants to NHLI Faculty of Medicine Imperial College London	2023 £	2022 £
- Endowment Fund	700,000	700,000
- General Fund	-	208,837
- VRFT	(50,000)	-
Support Costs (see note 6)	74,433	37,368
	£724,433	£946,205

6. SUPPORT COSTS

Payment to auditors:	Audit fees	6,420	5,640
Secretarial costs		12,312	12,142
Legal costs		55,484	19,437
Bank Charges		217	149
		£74,433	£37,368

Administration costs including the provision of a meeting room have been borne by Imperial College London. These costs are not material.
No remuneration directly or indirectly out of the funds of the Foundation was paid or is payable for the year to any of the Trustees.
No reimbursement of expenses has been made or is due to be made to any of the Trustees.

7. INVESTMENTS

	2023 £	2022 £
Social Investments	4,909,975	4,909,975
Quoted Investments	17,252,294	17,776,031
Cash held for investment purposes	25,887	242,114
Total Investments	22,188,156	£22,928,120

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

8. INVESTMENTS – SOCIAL INVESTMENTS

	2023 £	2022 £
Balance at 1st August 2022 and at 31st July 2023	4,909,975	£4,909,975

The Charity holds a 50% interest in the freehold of the property at 1B Manresa Road. This is occupied rent free by the National Heart and Lung Institute, Faculty of Medicine, Imperial College London. The building is disclosed at the amount at which it was transferred in 1995 from The National Heart and Lung Institute.

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES

		2023 £	2022 £
(a)	Quoted investments (at market value)		
	- NHLF	14,372,294	14,914,610
	- Viscount Royston Fellowship Trust	2,880,000	2,861,421
		17,252,294	17,776,031
	Cash held for investment purposes		
	- NHLF	869	225,097
	- Viscount Royston Fellowship Trust	25,018	17,017
		17,278,181	£18,018,145

All the quoted investments are held in the form of units in unit trusts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES (Continued)

		2023 £	2022 £
(b)	Movements in quoted investments		
	Balance brought forward at 1st August	17,776,031	18,896,173
	Additions	499,104	499,902
	Sale proceeds	(766,724)	(801,048)
	Realised and unrealised gain/(loss) - NHLF	(215,086)	(688,352)
	- VRFT	(41,031)	(130,644)
	Balance carried forward at 31st July	17,252,294	17,776,031
	Investments at Cost – NHLF	12,082,101	£12,193,080
	Investment at Cost – VRFT	1,975,942	£1,895,232
(c)	Investments held comprise units in one unit trusts:		
	4,434,425 (2022: 4,631,735) - Sarasin Alpha Charity Fund (Accumulation)	14,372,294	14,914,610
	888,614 (2022: 888,614) - Sarasin Alpha Charity Fund (Accumulation) – VRFT	2,880,000	2,861,421
		17,252,294	£17,776,031

(d) The units held in unit trusts include the following asset allocations:-

Fixed Income	2,517,726	1,396,851
Equities	11,479,720	10,440,971
Property	703,575	2,048,498
Alternative Investments	1,611,787	2,516,866
Liquid Assets	965,373	1,372,845
	17,278,181	£17,776,031

10. DEBTORS

Other Debtors	80,000	15,830
	£80,000	£15,830

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

11. LIABILITIES: amounts falling due within one year

		2023	2022
		£	£
Grants payable to Imperial College London	- VRFT	116,667	176,203
	- General Fund	218,426	284,910
	- Endowment Fund	525,011	682,674
Audit and Accountancy		6,180	5,640
Professional Fees		1,000	750
Other Creditors and deferred income		42,824	44,585
		£910,108	£1,194,762

12. GRANTS PAYABLE

		2023	2022
		£	£
Commitments at 1st August 2022		1,600,454	1,544,796
Commitments made in the year	- General Fund	-	208,837
Commitments made in the year	- Endowment Fund	700,000	700,000
Commitments made in the year	- VRFT	(50,000)	-
Grants paid during the year	- General Fund	(141,484)	(397,562)
Grants paid during the year	- Endowment Fund	(857,663)	(335,987)
Grants paid during the year	- VRFT	(108,597)	(119,630)
Commitments at 31st July 2023		1,142,710	£1,600,454
Commitments at 31st July 2023 are payable as follows:			
Within one year	- General Fund	218,426	284,910
	- Endowment Fund	525,011	682,674
	- VRFT	116,667	176,203
		860,104	1,143,787
After one year	- NHLF	265,000	340,000
	- VRFT	17,606	116,667
		282,606	456,667
		1,142,710	£1,600,454

13. FUNDS

	Balance Brought Forward at 1 August 2022	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2023
Unrestricted Funds					
General funds	3,653,774	(73,798)	578,475	(145,378)	4,013,073
Endowment Funds	15,558,903	(141,288)	-	(700,000)	14,717,615
	19,212,677	(215,086)	578,475	(845,378)	18,730,688
Restricted Funds					
Viscount Royston Fellowship Trust	2,336,438	(41,031)	81,287	36,301	2,412,995
	£21,549,115	£(256,117)	659,762	(£809,077)	£21,143,683

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

13. FUNDS (Continued)

	Balance Brought Forward at 1 August 2021	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2022
Unrestricted Funds					
General funds	3,714,893	(216,324)	477,712	(322,507)	3,653,774
Endowment Funds	16,730,931	(472,028)	-	(700,000)	15,558,903
	20,445,824	(688,352)	477,712	(1,022,507)	19,212,677
Restricted Funds					
Viscount Royston Fellowship Trust	2,320,461	(130,644)	160,607	(13,986)	2,336,438
	£22,766,285	£(818,996)	£638,319	(£1,036,493)	£21,549,115

Viscount Royston Fellowship Trust Fund is dedicated in perpetuity for research into diseases of the heart muscle and into heart disease generally.

14. EXPENDABLE ENDOWMENT

The balance on Expendable Endowment represents donations and bequests received which could be expended at the Trustees' discretion. Investment income arising on Endowment Fund assets can be applied to the generality of the Charity's objects.

15. TAXATION

The National Heart and Lung Foundation is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part II of the Corporation Tax Act 2010 to the extent that such income or gains are applied for exclusively charitable purposes.

16. RELATED PARTIES

Certain Trustees of the Foundation are also governors of Royal Brompton and Harefield NHS Foundation Trust. There were no transactions with this NHS Foundation Trust during the year.

Up until 31st May 2023 Professor Edwin Chilvers was the Professor of Medicine and Head of the National Heart & Lung Institute which receives grants awarded by the NHLF. Professor Chilvers was also a Trustee of the NHLF until 31st May 2023; he did not receive any remuneration from the NHLF.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

17. PRIOR YEAR COMPARATIVES

The breakdown between funds of income and expenditure for the year ending 31st July 2022 was as follows:

	-------Unrestricted Funds-------			
	Unrestricted General Fund	**Endowment Fund**	**Restricted Viscount Royston Fellowship Fund**	**2022 Total**
	£	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies	138,182	-	-	138,182
Investment Income	339,530	-	160,607	500,137
TOTAL INCOME	477,712	-	160,607	638,319
EXPENDITURE ON:				
Raising Funds	76,302	-	13,986	90,288
Charitable Activities	246,205	700,000	-	946,205
TOTAL RESOURCES EXPENDED	322,507	700,000	13,986	1,036,493
Gain/(Loss) on Investments	(216,324)	(472,028)	(130,644)	(818,996)
NET MOVEMENT IN FUNDS	(61,119)	(1,172,028)	15,977	(1,217,170)
Fund Balances at 1st August 2021	3,714,893	16,730,931	2,320,461	22,766,285
FUND BALANCES AT 31ST JULY 2022	3,653,774	15,558,903	2,336,438	21,549,115

NATIONAL HEART AND LUNG FOUNDATION

England & Wales - Charity number 1048073

Accounts

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st JULY 2022

Registered Charity No. 1048073

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Foundation"

Principal Office Guy Scadding Building, Dovehouse Street, London SW3 6LY

Trustees
Richard Reid, Chairman
Magdalene Brereton
Professor Edwin Chilvers
Professor Kim Fox
Professor Sir Malcolm Green
Dr Michael Harding
Professor Charles Knight
Ludovic Lindsay
Baroness (Sally) Morgan of Huyton
Dr Paul Oldershaw (resigned 10 November 2022)

Secretary to the Trustees Mrs Caroline M Wicks

Bankers
The Royal Bank of Scotland plc
36 St Andrew Square, Edinburgh EH2 2YB

Auditors
Knox Cropper LLP, Chartered Accountants,
65 Leadenhall Street, London EC3A 2AD

Investment Manager Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Website www.nhlf.info

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. On 20 April 2021 the charity amended its name from National Heart & Lung Institute Foundation to, more simply, National Heart & Lung Foundation. As well as simplification, this change was to clarify the charity's status as a Foundation for the support of Heart and Lung research. The funds of the Foundation are made up of a capital fund (£15,558,903), which is an expendable endowment, an unrestricted General Fund (£3,653,774) and one restricted fund; the Viscount Royston Fellowship Fund (£2,336,438) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLF website includes a link to the NHLF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES - PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY - CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **Respiratory:** National Heart & Lung Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** Support of Dr Sanjay Prasad and The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £1.6m as at the end of July 2022.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £638,319 (2021: £631,383). Total expenditure was £1,036,493 (2021: £1,032,439). Net losses on investments for the year were £818,996 (2021: gains £2,066,005) which left a deficit for the year of £1,217,170 (2021 surplus £1,664,949). During the year, new grant commitments totalling £908,837, were made.

Performance

The total value of the Foundation's investments at 31 July 2021 was £18,927,058 (£17,393,078 at 31 July 2020). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2022	2021
		£
Investment in unit trusts	17,776,031	18,896,173
Cash held for investment purposes	242,114	30,885
	£18,018,145	£18,927,058

The units held in unit trusts include the following asset allocations:-

Fixed Income	1,396,851	1,925,553
Equities	10,440,971	13,426,651
Property	2,048,498	1,262,777
Alternative Assets	2,516,865	1,764,853
Liquid Assets	1,614,960	547,224
	£18,018,145	£18,927,058

The year-end results and fund balances are set out in the Statement of Financial Activities on page 7 and Balance Sheet on page 8.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.
In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the level of grant aid available.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies on receipt. This year the Trustees wish to acknowledge legacies received from the estates of Jeanette Bryan, Elaine Mary Bullock, Marlene Davie, Margaret June Fairhurst, Barbara Jean Haywood, Jean Margaret Tasker and Isabelle Todd.

The Foundation knows of some additional legacy payments amounting to approximately £16 ,000 which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

R.M. Reid

Richard Reid

5th December 2022

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of National Heart and Lung Foundation (the 'charity') for the year ended 31 July 2022 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2022 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 5th December 2022

NATIONAL HEART & LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JULY 2022

	Notes	------Unrestricted Funds------ General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2022 Total	2021 Total
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Voluntary Income	2	138,182	-	-	138,182	78,469
Charitable Activities						
Investment Income	3	339,530	-	160,607	500,137	552,914
TOTAL INCOME		477,712	-	160,607	638,319	631,383
EXPENDITURE ON:						
Raising Funds	4	76,302	-	13,986	90,288	107,315
Charitable Activities	5	246,205	700,000	-	946,205	925,124
TOTAL RESOURCES EXPENDED		322,507	700,000	13,986	1,036,493	1,032,439
Gain/(Loss) on Investments	9	(216,324)	(472,028)	(130,644)	(818,996)	2,066,005
NET MOVEMENT IN FUNDS		(61,119)	(1,172,028)	15,977	(1,217,170)	1,664,949
Fund Balances at 1st August 2021		3,714,893	16,730,931	2,320,461	22,766,285	21,101,336
FUND BALANCES AT 31ST JULY 2022		£3,653,774	£15,558,903	£2,336,438	£21,549,115	£22,766,285

The Charity has no recognised gains and losses other than those included in the figures above. All activities reflected above are continuing activities.

NATIONAL HEART AND LUNG FOUNDATION

BALANCE SHEET AT 31ST JULY 2022

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Investments	7-9	22,928,120		23,837,033	
			22,928,120		23,837,033
CURRENT ASSETS					
Debtors	10	15,830		3,079	
Cash at Bank		256,594		523,252	
		272,424		526,331	
Creditors: Amounts falling due within one year	11	(1,194,762)		(776,287)	
Net Current Assets / (Liabilities)			(922,338)		(249,956)
Total Assets less current liabilities			22,005,782		23,587,077
Creditors: Amounts falling due after one year	12		(456,667)		(820,792)
TOTAL NET ASSETS			£21,549,115		£22,766,285
RESTRICTED FUNDS	13		2,336,438		2,320,461
CAPITAL FUNDS					
Expendable Endowment	13, 14		15,558,903		16,730,931
INCOME FUND					
Unrestricted General Fund	13		3,653,774		3,714,893
TOTAL FUNDS			£21,549,115		£22,766,285

Approved by the Board of Trustees on the 5th December 2022 and signed on its behalf by:

R.H. Reid

Richard Reid
Chairman

NATIONAL HEART AND LUNG FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2022 £	2021 £
Cash used by operations	A	(856,712)	(933,407)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		500,137	552,914
Proceeds from the sale of investments		801,048	1,101,659
Purchase of investments		(499,902)	(552,843)
		801,283	1,101,730
Change in cash and cash equivalents in the reporting period	B	(55,429)	168,323
Cash and cash equivalents at the beginning of the reporting period		554,137	385,814
Cash and cash equivalents at the end of the reporting period		497,708	554,137

A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,217,170)	1,664,950
Investment income received	(500,137)	(552,914)
(Gains)/losses in investments (excluding within cash balances)	818,996	(2,066,005)
(Increse)/Decrease in debtors	(12,751)	19,179
Increase in creditors	54,350	1,383
Net cash used by operations	(856,712)	(933,407)

B. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2021 £	Cash flow £	At 31 July 2022 £
Cash at bank and in hand	523,252	(266,658)	256,594
Cash held by investment manager	30,885	211,229	242,114
	554,137	(55,429)	498,708

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

1. ACCOUNTING POLICIES

(a) The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

(c) Income from listed investments is accounted for on an accruals basis, grossed up for tax recoverable where appropriate. Interest from cash on deposit is accounted for on an accruals basis.

(d) Expenditure is accounted for on an accruals basis.

(e) The cost of generating voluntary income includes investment management fees and advertising costs.

(f) Costs of charitable activities consist of research grants.

(g) Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(h) Investments are stated at mid-market value. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Statement of Financial Activities and added to or deducted from the funds to which they relate.

(i) Social investments represent land and buildings which were transferred from the National Heart and Lung Institute in 1995. The building is occupied rent free by the Charity's beneficiary the National Heart & Lung Institute.

(j) Unrestricted funds are those funds which can be used at the Trustees' discretion. Expendable Endowment funds are those funds where the intention is that capital be maintained and the income spent, but in certain circumstances the capital can be spent. Restricted funds are funds which have been earmarked by the donors to be spent on specific projects.

(k) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attaching are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

1. ACCOUNTING POLICIES (Continued)

(l) The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland': the requirements of Section 7 Statement of Cash Flows.

(m) The Charity is not registered for VAT and accordingly, where applicable, all costs incurred are inclusive of VAT.

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

2. VOLUNTARY INCOME

	2022			
	NHLF	VRFT	TOTAL	2021
	£	£	£	£
Donations	26,904	-	26,904	14,539
Legacies	111,278	-	111,278	63,930
	138,182	-	138,182	78,469

3. INVESTMENT INCOME

	2022			
	NHLF	VRFT	TOTAL	2021
	£	£	£	£
Income from listed investments	339,376	160,607	499,983	552,860
Interest on cash deposit	154	-	154	54
	339,530	160,607	500,137	552,914

4. RAISING FUNDS

	2022			
	NHLF	VRFT	TOTAL	2021
	£	£	£	£
Investment Management Fees	74,365	13,986	88,351	104,605
Advertising	1,605	-	1,605	1,605
Computer Support	332	-	332	1,105
Professional Fees	-	-	-	-
	76,302	13,986	90,288	107,315

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

5. CHARITABLE ACTIVITIES

Direct Grants to NHLI Faculty of Medicine Imperial College London	2022	2021
	£	£
- Endowment Fund	700,000	700,000
- General Fund	208,837	209,437
- VRFT	-	-
Support Costs (see note 6)	37,368	15,687
	£946,205	£925,124

6. SUPPORT COSTS

Payment to auditors:	Audit fees	5,640	5,400
Secretarial costs		12,142	10,184
Legal costs		19,437	-
Bank Charges		149	103
		£37,368	£15,687

Administration costs including the provision of a meeting room have been borne by Imperial College London. These costs are not material.
No remuneration directly or indirectly out of the funds of the Foundation was paid or is payable for the year to any of the Trustees.
No reimbursement of expenses has been made or is due to be made to any of the Trustees.

7. INVESTMENTS

	2022	2021
	£	£
Social Investments	4,909,975	4,909,975
Quoted Investments	17,776,031	18,896,173
Cash held for investment purposes	242,114	30,885
Total Investments	£22,928,120	£23,837,033

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

8. INVESTMENTS – SOCIAL INVESTMENTS

	2022 £	2021 £
Balance at 1st August 2021 and at 31st July 2022	£4,909,975	£4,909,975

The Charity holds a 50% interest in the freehold of the property at 1B Manresa Road. This is occupied rent free by the National Heart and Lung Institute, Faculty of Medicine, Imperial College London. The building is disclosed at the amount at which it was transferred in 1995 from The National Heart and Lung Institute.

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES

		2022 £	2021 £
(a)	Quoted investments (at market value)		
	- NHLF	14,914,610	15,960,188
	- Viscount Royston Fellowship Trust	2,861,421	2,935,985
		17,776,031	18,896,173
	Cash held for investment purposes		
	- NHLF	225,097	21,869
	- Viscount Royston Fellowship Trust	17,017	9,016
		£18,018,145	£18,927,058

All the quoted investments are held in the form of units in unit trusts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES (Continued)

		2022 £	2021 £
(b)	Movements in quoted investments		
	Balance brought forward at 1st August 2021	18,896,173	17,378,984
	Additions	499,902	552,843
	Sale proceeds	(801,048)	(1,101,659)
	Realised and unrealised gain/(loss) - NHLF	(688,352)	1,756,565
	- VRFT	(130,644)	309,440
	Balance carried forward at 31st July 2022	17,776,031	18,896,173
	Investments at Cost – NHLF	£12,193,080	£12,288,751
	Investment at Cost – VRFT	£1,895,232	£1,817,128
(c)	Investments held comprise units in one unit trusts:		
	4,631,735 (2021: 4,830,561) - Sarasin Alpha Charity Fund (Accumulation)	14,914,610	15,960,188
	888,614 (2021: 888,614) - Sarasin Alpha Charity Fund (Accumulation) – VRFT	2,861,421	2,935,985
		£17,776,031	£18,896,173

(d) The units held in unit trusts include the following asset allocations:-

Fixed Income	1,396,851	1,925,553
Equities	10,440,971	13,426,651
Property	2,048,498	1,262,777
Alternative Investments	2,516,866	1,764,853
Liquid Assets	1,372,845	516,339
	£17,776,031	£18,896,173

10. DEBTORS

Other Debtors	15,830	3,079
	£15,830	£3,079

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

11. LIABILITIES: amounts falling due within one year

		2022	2021
		£	£
Grants payable to Imperial College London	- VRFT	176,203	108,333
	- General Fund	284,910	297,010
	- Endowment Fund	682,674	318,661
Audit and Accountancy		5,640	5,400
Professional Fees		750	750
Other Creditors and deferred income		44,585	46,133
		£1,194,762	£776,287

12. GRANTS PAYABLE

		2022	2021
		£	£
Commitments at 1st August 2021		1,544,796	1,563,203
Commitments made in the year	- General Fund	208,837	209,437
Commitments made in the year	- Endowment Fund	700,000	700,000
Commitments made in the year	- VRFT	-	-
Commitments made in the year	- COPD	-	-
Grants paid during the year	- General Fund	(397,562)	(877,844)
Grants paid during the year	- Endowment Fund	(335,987)	
Grants paid during the year	- VRFT	(119,630)	(50,000)
Commitments at 31st July 2022		£1,600,454	£1,544,796
Commitments at 31st July 2022 are payable as follows:			
Within one year	- General Fund	284,910	297,010
	- Endowment Fund	682,674	318,661
	- VRFT	176,203	108,333
		1,143,787	724,004
After one year	- NHLF	340,000	516,625
	- VRFT	116,667	304,167
		456,667	820,792
		£1,600,454	£1,544,796

13. FUNDS

	Balance Brought Forward at 1 August 2021	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2022
Unrestricted Funds					
General funds	3,714,893	(216,324)	477,712	(322,507)	3,653,774
Endowment Funds	16,730,931	(472,028)	-	(700,000)	15,558,903
	20,445,824	(688,352)	477,712	(1,022,507)	19,212,677
Restricted Funds					
Viscount Royston Fellowship Trust	2,320,461	(130,644)	160,607	(13,986)	2,336,438
	£22,766,285	£(818,996)	638,319	(£1,036,493)	£21,549,115

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

13. FUNDS (Continued)

	Balance Brought Forward at 1 August 2020	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2021
Unrestricted Funds					
General funds	2,939,958	460,085	631,383	(316,533)	3,714,893
Endowment Funds	16,134,451	1,296,480	-	(700,000)	16,730,931
	19,074,409	1,756,565	631,383	(1,016,533)	20,445,824
Restricted Funds					
Viscount Royston Fellowship Trust	2,026,927	309,440	-	(15,906)	2,320,461
	£21,101,336	£2,066,005	£631,383	£(1,032,439)	£22,766,285

Viscount Royston Fellowship Trust Fund is dedicated in perpetuity for research into diseases of the heart muscle and into heart disease generally.

14. EXPENDABLE ENDOWMENT

The balance on Expendable Endowment represents donations and bequests received which could be expended at the Trustees' discretion. Investment income arising on Endowment Fund assets can be applied to the generality of the Charity's objects.

15. TAXATION

The National Heart and Lung Foundation is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part II of the Corporation Tax Act 2010 to the extent that such income or gains are applied for exclusively charitable purposes.

16. RELATED PARTIES

Certain Trustees of the Foundation are also governors of Royal Brompton and Harefield NHS Foundation Trust. There were no transactions with this NHS Foundation Trust during the year.

Professor Edwin Chilvers is the Professor of Medicine and Head of the National Heart & Lung Institute which receives grants awarded by the NHLF. Professor Chilvers is also a Trustee of the NHLF; he does not receive any remuneration from the NHLF

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022

17. PRIOR YEAR COMPARATIVES

The breakdown between funds of income and expenditure for the year ending 31st July 2020 was as follows:

	-------Unrestricted Funds-------			
	Unrestricted General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2021 Total
	£	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Voluntary Income				
Charitable Activities	78,469	-	-	78,469
Investment Income				
	552,914	-	-	552,914
TOTAL INCOME	631,383	-	-	631,383
EXPENDITURE ON:				
Raising Funds	91,409	-	15,906	107,315
Charitable Activities	225,124	700,000	-	925,124
TOTAL RESOURCES EXPENDED	316,533	700,000	15,906	1,032,439
Gain/(Loss) on Investments	460,085	1,296,480	309,450	2,066,005
NET MOVEMENT IN FUNDS	774,935	596,480	293,534	1,664,949
Fund Balances at 1st August 2020	2,939,958	16,134,451	2,026,927	21,101,336
FUND BALANCES AT 31ST JULY 2021	£3,714,893	£16,730,931	£2,320,461	£22,766,285

NATIONAL HEART AND LUNG FOUNDATION

England & Wales - Charity number 1048073

Accounts

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED
31st JULY 2021

Registered Charity No. 1048073

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Foundation"

Principal Office Guy Scadding Building, Dovehouse Street, London SW3 6LY

Trustees
Richard Reid, Chairman
Magdalene Brereton
Professor Edwin Chilvers
Professor Kim Fox
Professor Sir Malcolm Green
Dr Michael Harding
Professor Charles Knight (from 1 December 2020)
Ludovic Lindsay
Baroness (Sally) Morgan of Huyton
Dr Paul Oldershaw

Secretary to the Trustees Mrs Caroline M Wicks

Bankers
The Royal Bank of Scotland plc
36 St Andrew Square, Edinburgh EH2 2YB

Auditors
Knox Cropper LLP, Chartered Accountants,
65 Leadenhall Street, London EC3A 2AD

Investment Manager Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Website www.nhlf.info

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. On 20 April 2021 the charity amended its name from National Heart & Lung Institute Foundation to, more simply, National Heart & Lung Foundation. As well as simplification, this change was to clarify the charity's status as a Foundation for the support of Heart and Lung research. The funds of the Foundation are made up of a capital fund (£16,730,931), which is an expendable endowment, an unrestricted General Fund (£3,714,893) and one restricted fund; the Viscount Royston Fellowship Fund (£2,320,461) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLF website includes a link to the NHLF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES - PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY - CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **Respiratory:** National Heart & Lung Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** Support of Dr Sanjay Prasad and The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £1.54m as at the end of July 2021.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £631,383 (2020: £660,676). Total expenditure was £1,032,439 (2020: £1,078,782). Net gains on investments for the year were £2,066,005 (2020: £449,207) which left a surplus for the year of £1,664,949 (2020 surplus £31,101). During the year, new grant commitments totalling £909,437, were made.

Performance

The total value of the Foundation's investments at 31 July 2021 was £18,927,058 (£17,393,078 at 31 July 2020). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2021	2020
		£
Investment in unit trusts	18,896,173	17,378,984
Cash held for investment purposes	30,885	14,094
	£18,927,058	£17,393,078

The units held in unit trusts include the following asset allocations:-

Fixed Income	1,925,553	2,700,740
Equities	13,426,651	11,346,592
Property	1,262,777	919,605
Alternative Assets	1,764,853	1,815,746
Liquid Assets	547,225	596,301
	£18,927,059	£17,378,984

Since the emergence of Covid-19 as a pandemic, the Trustees have been mindful of its current and potential impact upon volatility in the investment portfolio and upon voluntary income.

The year-end results and fund balances are set out in the Statement of Financial Activities on page 7 and Balance Sheet on page 8.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the level of grant aid available.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies on receipt. This year the Trustees wish to acknowledge legacies received from the estates of John Beckett, Barbara Davenport, Edith Hebdidge, Jean Peachey, Roy Scott, Arthur Stevenson, and Jean Tasker.

The Foundation knows of some additional legacy payments amounting to approximately £3,000 which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

R. H. Reid

Richard Reid

16th November 2021

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of National Heart and Lung Foundation (the 'charity') for the year ended 31 July 2021 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 16th November 2021

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

Registered Charity No. 1048073

NATIONAL HEART & LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JULY 2021

	Notes	------Unrestricted Funds------ General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2021 Total	2020 Total
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Voluntary Income	2	78,469	-	-	78,469	104,265
Charitable Activities						
Investment Income	3	552,914	-	-	552,914	556,411
TOTAL INCOME		631,383	-	-	631,383	660,676
EXPENDITURE ON:						
Raising Funds	4	91,409	-	15,906	107,315	83,917
Charitable Activities	5	225,124	700,000	-	925,124	994,865
TOTAL RESOURCES EXPENDED		316,533	700,000	15,906	1,032,439	1,078,782
Gain/(Loss) on Investments	9	460,085	1,296,480	309,440	2,066,005	449,207
NET MOVEMENT IN FUNDS		774,935	596,480	293,534	1,664,949	31,101
Fund Balances at 1st August 2020		2,939,958	16,134,451	2,026,927	21,101,336	21,070,235
FUND BALANCES AT 31ST JULY 2021		£3,714,893	£16,730,931	£2,320,461	£22,766,285	£21,101,336

The Charity has no recognised gains and losses other than those included in the figures above. All activities reflected above are continuing activities.

NATIONAL HEART AND LUNG FOUNDATION

BALANCE SHEET AT 31ST JULY 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Investments	7-9	23,837,033		22,303,053	
			23,837,033		22,303,053
CURRENT ASSETS					
Debtors	10	3,079		22,258	
Cash at Bank		523,252		371,720	
		526,331		393,978	
Creditors: Amounts falling due within one year	11	(776,287)		(811,899)	
Net Current Assets / (Liabilities)			(249,956)		(417,921)
Total Assets less current liabilities			23,587,077		21,855,132
Creditors: Amounts falling due after one year	12		(820,792)		(783,796)
TOTAL NET ASSETS			£22,766,285		£21,101,336
RESTRICTED FUNDS	13		2,320,461		2,026,927
CAPITAL FUNDS					
Expendable Endowment	13, 14		16,730,931		16,134,451
INCOME FUND					
Unrestricted General Fund	13		3,714,893		2,939,958
TOTAL FUNDS			£22,766,285		£21,101,336

Approved by the Board of Trustees on the 16th November 2021 and signed on its behalf by:

R. N. Reid

Richard Reid
Chairman

NATIONAL HEART AND LUNG FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2021

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2021 £	2020 £
Cash used by operations	A	(933,407)	(878,304)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		552,914	556,411
Proceeds from the sale of investments		1,101,659	1,127,011
Purchase of investments		(552,843)	(642,809)
		1,101,730	1,040,613
Change in cash and cash equivalents in the reporting period	B	168,323	162,309
Cash and cash equivalents at the beginning of the reporting period		385,814	223,505
Cash and cash equivalents at the end of the reporting period		554,137	385,814

A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	1,664,950	31,101
Investment income received	(552,914)	(556,411)
(Gains)/losses in investments (excluding within cash balances)	(2,066,005)	(449,207)
Decrease in debtors	19,179	27,302
Increase in creditors	1,383	68,911
Net cash used by operations	(933,407)	(878,304)

B. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2020 £	Cash flow £	At 31 July 2021 £
Cash at bank and in hand	371,720	151,532	523,252
Cash held by investment manager	14,094	16,791	30,885
	385,814	168,323	554,137

NATIONAL HEART AND LUNG FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

1. ACCOUNTING POLICIES

(a) The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

(c) Income from listed investments is accounted for on an accruals basis, grossed up for tax recoverable where appropriate. Interest from cash on deposit is accounted for on an accruals basis.

(d) Expenditure is accounted for on an accruals basis.

(e) The cost of generating voluntary income includes investment management fees and advertising costs.

(f) Costs of charitable activities consist of research grants.

(g) Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(h) Investments are stated at mid-market value. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Statement of Financial Activities and added to or deducted from the funds to which they relate.

(i) Social investments represent land and buildings which were transferred from the National Heart and Lung Institute in 1995. The building is occupied rent free by the Charity's beneficiary the National Heart & Lung Institute.

(j) Unrestricted funds are those funds which can be used at the Trustees' discretion. Expendable Endowment funds are those funds where the intention is that capital be maintained and the income spent, but in certain circumstances the capital can be spent. Restricted funds are funds which have been earmarked by the donors to be spent on specific projects.

(k) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attaching are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

1. ACCOUNTING POLICIES (Continued)

(l) The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland': the requirements of Section 7 Statement of Cash Flows.

(m) The Charity is not registered for VAT and accordingly, where applicable, all costs incurred are inclusive of VAT.

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

2. VOLUNTARY INCOME

	2021			
	NHLF	VRFT	TOTAL	2020
	£	£	£	£
Donations	14,539	-	14,539	13,238
Legacies	63,930	-	63,930	91,027
	78,469	-	78,469	104,265

3. INVESTMENT INCOME

	2021			
	NHLF	VRFT	TOTAL	2020
	£	£	£	£
Income from listed investments	552,860	-	552,860	554,809
Interest on cash deposit	54	-	54	1,602
	552,914	-	552,914	556,411

4. RAISING FUNDS

	2021			
	NHLF	VRFT	TOTAL	2020
	£	£	£	£
Investment Management Fees	88,699	15,906	104,605	81,981
Advertising	1,605	-	1,605	1,605
Computer Support	1,105	-	1,105	331
Professional Fees	-	-	-	-
	91,409	15,906	107,315	83,917

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

5. CHARITABLE ACTIVITIES

Direct Grants to NHLI Faculty of Medicine Imperial College London	2021	2020
	£	£
- Endowment Fund	700,000	-
- General Fund	209,437	628,837
- VRFT	-	350,000
Support Costs (see note 6)	15,687	16,028
	£925,124	£994,865

6. SUPPORT COSTS

Payment to auditors:	Audit fees	5,400	5,400
Secretarial costs		10,184	10,333
Repairs and maintenance		-	-
Bank Charges		103	295
		£15,687	£16,028

Administration costs including the provision of a meeting room have been borne by Imperial College London. These costs are not material.
No remuneration directly or indirectly out of the funds of the Foundation was paid or is payable for the year to any of the Trustees.
No reimbursement of expenses has been made or is due to be made to any of the Trustees.

7. INVESTMENTS

	2021	2020
	£	£
Social Investments	4,909,975	4,909,975
Quoted Investments	18,896,173	17,378,984
Cash held for investment purposes	30,885	14,094
Total Investments	£23,837,033	£22,303,053

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

8. INVESTMENTS – SOCIAL INVESTMENTS

	2021 £	2020 £
Balance at 1st August 2020 and at 31st July 2021	£4,909,975	£4,909,975

The Charity holds a 50% interest in the freehold of the property at 1B Manresa Road. This is occupied rent free by the National Heart and Lung Institute, Faculty of Medicine, Imperial College London. The building is disclosed at the amount at which it was transferred in 1995 from The National Heart and Lung Institute.

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES

		2021 £	2020 £
(a)	Quoted investments (at market value)		
	- NHLF	15,960,188	14,815,294
	- Viscount Royston Fellowship Trust	2,935,985	2,563,690
		18,896,173	17,378,984
	Cash held for investment purposes		
	- NHLF	21,869	12,057
	- Viscount Royston Fellowship Trust	9,016	2,037
		£18,927,058	£17,393,078

All the quoted investments are held in the form of units in unit trusts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES (Continued)

		2021	2020
		£	£
(b)	Movements in quoted investments		
	Balance brought forward at 1st August 2020	17,378,984	17,413,979
	Additions	552,843	642,809
	Sale proceeds	(1,101,659)	(1,127,011)
	Realised and unrealised gain/(loss) - NHLF	1,756,565	384,065
	- VRFT	309,440	65,142
	Balance carried forward at 31st July 2021	18,896,173	17,378,984
	Investments at Cost – NHLF	£12,288,751	£12,579,143
	Investment at Cost – VRFT	£1,817,128	£1,734,663
(c)	Investments held comprise units in one unit trusts:		
	4,830,561 (2020: 5,135,210) - Sarasin Alpha Charity Fund (Accumulation)	15,960,188	14,815,294
	888,614 (2020: 888,614) - Sarasin Alpha Charity Fund (Accumulation) – VRFT	2,935,985	2,563,690
		£18,896,173	£17,378,984

(d) The units held in unit trusts include the following asset allocations:-

Fixed Income	1,925,553	2,700,740
Equities	13,426,651	11,346,592
Property	1,262,777	919,605
Alternative Investments	1,764,853	1,815,746
Liquid Assets	516,339	596,301
	£18,896,173	£17,378,984

10. DEBTORS

Other Debtors	3,079	22,258
	£3,079	£22,258

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

11. LIABILITIES: amounts falling due within one year

		2021	2020
		£	£
Grants payable to Imperial College London	- VRFT	108,333	120,833
	- General Fund	297,010	381,510
	- Endowment Fund	318,661	277,063
Audit and Accountancy		5,400	5,340
Professional Fees		750	750
Other Creditors and deferred income		46,133	26,403
		£776,287	£811,899

12. GRANTS PAYABLE

		2021	2020
		£	£
Commitments at 1st August 2020		1,563,203	1,493,972
Commitments made in the year	- General Fund	209,437	628,837
Commitments made in the year	- Endowment Fund	700,000	-
Commitments made in the year	- VRFT	-	350,000
Commitments made in the year	- COPD	-	-
Grants paid during the year	- General Fund	(877,844)	(859,607)
Grants paid during the year	- VRFT	(50,000)	(50,000)
Commitments at 31st July 2021		£1,544,796	£1,563,202
Commitments at 31st July 2021 are payable as follows:			
Within one year	- General Fund	297,010	381,510
	- Endowment Fund	318,661	277,063
	- VRFT	108,333	120,833
		724,004	779,406
After one year	- NHLF	516,625	442,129
	- VRFT	304,167	341,667
		820,792	783,796
		£1,544,796	£1,563,202

13. FUNDS

	Balance Brought Forward at 1 August 2020	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2021
Unrestricted Funds					
General funds	2,939,958	460,086	631,383	(316,533)	3,714,894
Endowment Funds	16,134,451	1,296,480	-	(700,000)	16,730,931
	19,074,409	1,756,566	631,383	(1,016,533)	20,445,825
Restricted Funds					
Viscount Royston Fellowship Trust	2,026,927	309,440	-	(15,906)	2,320,461
	£21,101,336	£2,066,006	631,383	(£1,032,439)	£22,766,286

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

13. FUNDS (Continued)

	Balance Brought Forward at 1 August 2019	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2020
Unrestricted Funds					
General funds	2,971,659	104,280	581,204	(717,185)	2,939,958
Endowment Funds	15,854,666	279,785	-	-	16,134,451
	18,826,325	384,065	581,204	(717,185)	19,074,409
Restricted Funds					
Viscount Royston Fellowship Trust	2,243,910	65,142	79,472	(361,597)	2,026,927
	£21,070,235	£449,207	£660,676	£(1,078,782)	£21,101,336

Viscount Royston Fellowship Trust Fund is dedicated in perpetuity for research into diseases of the heart muscle and into heart disease generally.

14. EXPENDABLE ENDOWMENT

The balance on Expendable Endowment represents donations and bequests received which could be expended at the Trustees' discretion. Investment income arising on Endowment Fund assets can be applied to the generality of the Charity's objects.

15. TAXATION

The National Heart and Lung Foundation is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part II of the Corporation Tax Act 2010 to the extent that such income or gains are applied for exclusively charitable purposes.

16. RELATED PARTIES

Certain Trustees of the Foundation are also governors of Royal Brompton and Harefield NHS Foundation Trust. There were no transactions with this NHS Foundation Trust during the year.

Professor Edwin Chilvers is the Professor of Medicine and Head of the National Heart & Lung Institute which receives grants awarded by the NHLF. Professor Chilvers is also a Trustee of the NHLF; he does not receive any remuneration from the NHLF

17. IMPACT OF COVID-19 PANDEMIC ON CHARITY

Trustees continue to welcome the support of donors to the Foundation but noted legacy income reduced over the year by 25% compared to the previous year. This reduction was offset by a larger gain in investment income across the portfolio than initially feared would be the case. Trustee Meetings took place over Zoom and Trustees remain mindful of the potential impact of the ongoing global pandemic and is confident that the Board will be able to continue to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

18. PRIOR YEAR COMPARATIVES

The breakdown between funds of income and expenditure for the year ending 31st July 2020 was as follows:

	-------Unrestricted Funds-------			
	Unrestricted General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2020 Total
	£	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Voluntary Income				
Charitable Activities	104,265	-	-	104,265
Investment Income				
	476,939	-	79,472	
TOTAL INCOME	581,204	-	79,472	660,676
EXPENDITURE ON:				
Raising Funds	72,320	-	11,597	83,917
Charitable Activities	644,865	-	350,000	994,865
TOTAL RESOURCES EXPENDED	717,185	-	361,597	1,078,782
Gain/(Loss) on Investments	104,280	279,785	65,142	449,207
NET MOVEMENT IN FUNDS	(31,701)	279,785	(216,983)	31,101
Fund Balances at 1st August 2019	2,971,659	15,854,666	2,243,910	21,070,235
FUND BALANCES AT 31ST JULY 2020	£2,939,958	£16,134,451	£2,026,927	£21,101,336

NATIONAL HEART & LUNG FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED
31st JULY 2021

Registered Charity No. 1048073

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Foundation"

Principal Office Guy Scadding Building, Dovehouse Street, London SW3 6LY

Trustees
Richard Reid, Chairman
Magdalene Brereton
Professor Edwin Chilvers
Professor Kim Fox
Professor Sir Malcolm Green
Dr Michael Harding
Professor Charles Knight (from 1 December 2020)
Ludovic Lindsay
Baroness (Sally) Morgan of Huyton
Dr Paul Oldershaw

Secretary to the Trustees Mrs Caroline M Wicks

Bankers
The Royal Bank of Scotland plc
36 St Andrew Square, Edinburgh EH2 2YB

Auditors
Knox Cropper LLP, Chartered Accountants,
65 Leadenhall Street, London EC3A 2AD

Investment Manager Sarasin & Partners LLP
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Website www.nhlf.info

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. On 20 April 2021 the charity amended its name from National Heart & Lung Institute Foundation to, more simply, National Heart & Lung Foundation. As well as simplification, this change was to clarify the charity's status as a Foundation for the support of Heart and Lung research. The funds of the Foundation are made up of a capital fund (£16,730,931), which is an expendable endowment, an unrestricted General Fund (£3,714,893) and one restricted fund; the Viscount Royston Fellowship Fund (£2,320,461) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLF website includes a link to the NHLF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES - PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY - CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **Respiratory:** National Heart & Lung Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** Support of Dr Sanjay Prasad and The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £1.54m as at the end of July 2021.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £631,383 (2020: £660,676). Total expenditure was £1,032,439 (2020: £1,078,782). Net gains on investments for the year were £2,066,005 (2020: £449,207) which left a surplus for the year of £1,664,949 (2020 surplus £31,101). During the year, new grant commitments totalling £909,437, were made.

Performance

The total value of the Foundation's investments at 31 July 2021 was £18,927,058 (£17,393,078 at 31 July 2020). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2021	2020
		£
Investment in unit trusts	18,896,173	17,378,984
Cash held for investment purposes	30,885	14,094
	£18,927,058	£17,393,078

The units held in unit trusts include the following asset allocations:-

Fixed Income	1,925,553	2,700,740
Equities	13,426,651	11,346,592
Property	1,262,777	919,605
Alternative Assets	1,764,853	1,815,746
Liquid Assets	547,225	596,301
	£18,927,059	£17,378,984

Since the emergence of Covid-19 as a pandemic, the Trustees have been mindful of its current and potential impact upon volatility in the investment portfolio and upon voluntary income.

The year-end results and fund balances are set out in the Statement of Financial Activities on page 7 and Balance Sheet on page 8.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the level of grant aid available.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies on receipt. This year the Trustees wish to acknowledge legacies received from the estates of John Beckett, Barbara Davenport, Edith Hebdidge, Jean Peachey, Roy Scott, Arthur Stevenson, and Jean Tasker.

The Foundation knows of some additional legacy payments amounting to approximately £3,000 which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

R. H. Reid

Richard Reid

16th November 2021

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of National Heart and Lung Foundation (the 'charity') for the year ended 31 July 2021 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 16th November 2021

NATIONAL HEART AND LUNG FOUNDATION

England & Wales - Charity number 1048073

Accounts

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31st JULY 2020

Registered Charity No. 1048073

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

The National Heart and Lung Institute Foundation ("the Foundation") is an independent charitable foundation, registered with the Charity Commission for England and Wales, registration number 1048073. The Foundation is recognised by HMRC as an approved charity for tax purposes reference number XR10956. The Foundation has a corporate trustee namely "The Trustees of the National Heart and Lung Institute Foundation"

Principal Office	Guy Scadding Building, Dovehouse Street, London SW3 6LY
Trustees	Richard Reid, Chairman Magdalene Brereton Professor Edwin Chilvers Professor Kim Fox Professor Sir Malcolm Green Dr Michael Harding Ludovic Lindsay Baroness (Sally) Morgan of Huyton Dr Paul Oldershaw
Secretary to the Trustees	Mrs Caroline M Wicks
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square, Edinburgh EH2 2YB
Auditors	Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London EC3A 2AD
Investment Manager	Sarasin & Partners LLP Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU
Website	www.nhlif.info

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is governed by a Trust Deed dated 3 July 1995 and the Deed of Amendment 2015. The funds of the Foundation are made up of a capital fund (£16,134,451), which is an expendable endowment, an unrestricted General Fund (£2,939,958) and one restricted fund; the Viscount Royston Fellowship Fund (£2,026,927) which is dedicated in perpetuity to research into diseases of the heart muscle and into heart disease generally.

The Board of Trustees meets twice a year and is responsible for the management of the Foundation. Day to day managerial responsibility is delegated to the Secretary to the Trustees. The Foundation seeks to achieve its objects by careful stewardship of its existing assets augmented by income from voluntary donations and legacies. It has no employees and does not actively fundraise. The NHLIF website includes a link to the NHLIF privacy policy.

The Trustees have identified and considered the strategic, operational and financial risks to which the Foundation is exposed and they are satisfied that there is appropriate protection, systems and checks in place to mitigate exposure to these risks. With regard to risks arising from the Foundation's financial investments, Trustees are kept fully informed by their independent investment managers, who provide reports and statements quarterly, and more frequently on request. Face to face and telephone meetings occur between Trustees and the investment managers during the year.

GRANT-MAKING AIMS AND OBJECTIVES – PUBLIC BENEFIT

When reviewing the Foundation's aims and objectives, setting the grant making policy and awarding grants, the Trustees have complied with section 2(1)(b) of the Charities Act 2011 and have had due regard to the Charity Commission's guidance on public benefit.

GRANT ACTIVITY – CURRENT INITIATIVES

The Foundation assists the National Heart & Lung Institute by providing grants, facilities, equipment and premises and such other assistance as the Trustees shall determine. Current initiatives are:

- **PhD studentships**; these studentships remain very competitive and of benefit to a broad base of research teams in the NHLI;
- **Respiratory:** NHLI Foundation Centre for Airways Disease in Children & Young Adults, and Margaret Turner Warwick Centre for Fibrosing Lung Disease;
- **Cardiology:** Support of Dr Sanjay Prasad and The Royston Centre for Inherited Cardiac Conditions, and financial support of Cardiac Academic Clinical Lecturer posts and Clinical PhDs;
- Financial support of the career development of Early Career Researchers through Foundation Pilot Awards;
- The Trustees continue to grant the NHLI rent-free occupation of its half freehold interest in the property at 1b Manresa Road, London SW3 6LR.

The charity has made grant commitments totalling £1.56m as at the end of July 2020.

FINANCIAL STRATEGY AND RESERVES

The Foundation's current spending policy is to limit annual net cash outgoings, excluding items of extraordinary expenditure, to an amount that the Trustees believe will not significantly reduce the medium or longer term value of the investments. The Foundation has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt its ability to continue. The financial statements have, therefore, been prepared on the basis of a going concern.

Income from all sources totalled £660,676 (2019: £780,130). Total expenditure was £1,078,782 (2019: £138,170). Net gains on investments for the year were £449,207 (2019: £826,684) which left a surplus for the year of £31,101 (2019 surplus £1,468,644). During the year, new grant commitments totalling £978,837, were made.

Performance

The total value of the Foundation's investments at 31 July 2020 was £17,393,078 (£17,471,023 at 31 July 2019). There is no investment in tobacco related companies. Investments are held exclusively in trusts managed by Sarasin investment managers:-

	2020	2019
	£	£
Investment in unit trusts	17,378,984	17,413,979
Cash held for investment purposes	14,094	57,044
	£17,393,078	£17,471,023

The units held in unit trusts include the following asset allocations:-

Fixed Income	2,700,740	2,426,169
Equities	11,346,592	12,409,810
Property	919,605	1,571,450
Alternative Assets	1,815,746	676,184
Liquid Assets	596,301	330,366
	£17,378,984	£17,413,979

The year-end results and fund balances are set out in the Statement of Financial Activities on page 9 and Balance Sheet on page 10.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing their annual report and the financial statements for each financial year in accordance with applicable law and UK accounting standards. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Foundation's financial position at the year end and its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare 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 records which disclose with reasonable accuracy the financial position of the charity and that enable them to ensure that the financial statements comply with relevant legislation and the provisions of the Trust Deed. They are responsible for safeguarding the charity's assets and taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations. The Trustees are also responsible for the maintenance and integrity of any financial information included on the charity's website.

FUTURE PLANS

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the level of grant aid available to the NHLI. Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation.

VOLUNTARY INCOME

Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Donations are often made in memory of loved ones.

In addition, the Foundation receives income from legacies, and its policy is to recognise legacies on receipt. This year the Trustees wish to acknowledge legacies received from the estates of John Arnott, Irene Beach, Dorothy Hall, Jean Handley, Margaret Haney, Robert Lamb, Roger Lester, Valerie Luxton, Colin McKerrow, Roy Scott, and Shirley Wince.

The Foundation knows of some additional legacy payments amounting to approximately £22k which it expects to receive during the forthcoming year. Details of these will be included in future financial statements.

Approved by the Trustees and signed on their behalf

Richard Reid

1st December 2020

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st JULY 2020

Registered Charity No. 1048073

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of National Heart and Lung Institute Foundation (the 'charity') for the year ended 31 July 2020 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page ~~six~~ four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 1st December 2020

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST JULY 2020

	Notes	------Unrestricted Funds------ General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2020 Total	2019 Total
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Voluntary Income	2	104,265	-	-	104,265	244,871
Charitable Activities						
Investment Income	3	476,939	-	79,472	556,411	535,259
TOTAL INCOME		581,204	-	79,472	660,676	780,130
EXPENDITURE ON:						
Raising Funds	4	72,320	-	11,597	83,917	69,216
Charitable Activities	5	644,865	-	350,000	994,865	68,954
TOTAL RESOURCES EXPENDED		717,185	-	361,597	1,078,782	138,170
Gain/(Loss) on Investments	9	104,280	279,785	65,142	449,207	826,684
NET MOVEMENT IN FUNDS		(31,701)	279,785	(216,983)	31,101	1,468,644
Fund Balances at 1st August 2019		2,971,659	15,854,666	2,243,910	21,070,235	19,601,591
FUND BALANCES AT 31ST JULY 2020		£2,939,958	£16,134,451	£2,026,927	£21,101,336	£21,070,235

The Charity has no recognised gains and losses other than those included in the figures above. All activities reflected above are continuing activities.

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

BALANCE SHEET AT 31ST JULY 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Investments	7-9	22,303,053		22,380,998	
			22,303,053		22,380,998
CURRENT ASSETS					
Debtors	10	22,258		49,560	
Cash at Bank		371,720		166,461	
		393,978		216,021	
Creditors: Amounts falling due within one year	11	(811,899)		(1,196,309)	
Net Current Assets / (Liabilities)			(417,921)		(980,288)
Total Assets less current liabilities			21,855,132		21,400,710
Creditors: Amounts falling due after one year	12		(783,796)		(330,475)
TOTAL NET ASSETS			£21,101,336		£21,070,235
RESTRICTED FUNDS	13		2,026,927		2,243,910
CAPITAL FUNDS					
Expendable Endowment	13, 14		16,134,451		15,854,666
INCOME FUND					
Unrestricted General Fund	13		2,939,958		2,971,659
TOTAL FUNDS			£21,101,336		£21,070,235

Approved by the Board of Trustees on the 1st December 2020 and signed on its behalf by:

R. M. Reid

Richard Reid
Chairman

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

1. ACCOUNTING POLICIES

(a) The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income has to be spent in a future period.

(c) Income from listed investments is accounted for on an accruals basis, grossed up for tax recoverable where appropriate. Interest from cash on deposit is accounted for on an accruals basis.

(d) Expenditure is accounted for on an accruals basis.

(e) The cost of generating voluntary income includes investment management fees and advertising costs.

(f) Costs of charitable activities consist of research grants.

(g) Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(h) Investments are stated at mid-market value. Gains and losses on disposals and revaluations of fixed asset investments are reported in the Statement of Financial Activities and added to or deducted from the funds to which they relate.

(i) Social investments represent land and buildings which were transferred from the National Heart and Lung Institute in 1995. The building is occupied rent free by the Charity's beneficiary the National Heart & Lung Institute.

(j) Unrestricted funds are those funds which can be used at the Trustees' discretion. Expendable Endowment funds are those funds where the intention is that capital be maintained and the income spent, but in certain circumstances the capital can be spent. Restricted funds are funds which have been earmarked by the donors to be spent on specific projects.

(k) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attaching are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

1. ACCOUNTING POLICIES (Continued)

(l) The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland': the requirements of Section 7 Statement of Cash Flows.

(m) The Charity is not registered for VAT and accordingly, where applicable, all costs incurred are inclusive of VAT.

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

2. VOLUNTARY INCOME

	2020			
	NHLIF	VRFT	TOTAL	2019
	£	£	£	£
Donations	13,238	-	13,238	16,456
Legacies	91,027	-	91,027	228,415
	104,265	£-	104,265	£244,871

3. INVESTMENT INCOME

	2020			
	NHLIF	VRFT	TOTAL	2019
	£	£	£	£
Income from listed investments	475,400	79,409	554,809	534,571
Interest on cash deposit	1,539	63	1,602	688
	476,939	79,472	556,411	£535,259

4. RAISING FUNDS

	2020			
	NHLIF	VRFT	TOTAL	2019
	£	£	£	£
Investment Management Fees	70,384	11,597	81,981	67,266
Advertising	1,605	-	1,605	1,605
Computer Support	331	-	331	331
Professional Fees	-	-	-	14
	72,320	11,597	83,917	£69,216

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

5. CHARITABLE ACTIVITIES

Direct Grants to NHLI Faculty of Medicine Imperial College London	2020 £	2019 £
- Endowment Fund	-	-
- General Fund	628,837	-
- VRFT	350,000	-
Support Costs (see note 6)	16,028	68,954
	£994,865	£68,954

6. SUPPORT COSTS

Payment to auditors: Audit fees	5,400	5,220
Secretarial costs	10,333	10,311
Repairs and maintenance	-	53,308
Bank Charges	295	115
	£16,028	£68,954

Administration costs including the provision of a meeting room have been borne by Imperial College London. These costs are not material.
No remuneration directly or indirectly out of the funds of the Foundation was paid or is payable for the year to any of the Trustees.
No reimbursement of expenses has been made or is due to be made to any of the Trustees.

7. INVESTMENTS

	2020 £	2019 £
Social Investments	4,909,975	4,909,975
Quoted Investments	17,378,984	17,413,979
Cash held for investment purposes	14,094	57,044
Total Investments	£22,303,053	£22,380,998

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

8. INVESTMENTS – SOCIAL INVESTMENTS

	2020 £	2019 £
Balance at 1st August 2019 and at 31st July 2020	£4,909,975	£4,909,975

The Charity holds a 50% interest in the freehold of the property at 1B Manresa Road. This is occupied rent free by the National Heart and Lung Institute, Faculty of Medicine, Imperial College London. The building is disclosed at the amount at which it was transferred in 1995 from The National Heart and Lung Institute.

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES

		2020 £	2019 £
(a)	Quoted investments (at market value)		
	- NHLIF	14,815,294	14,990,054
	- Viscount Royston Fellowship Trust	2,563,690	2,423,925
		17,378,984	17,413,979
	Cash held for investment purposes		
	- NHLIF	12,057	48,408
	- Viscount Royston Fellowship Trust	2,037	8,636
		£17,393,078	£17,471,023

All the quoted investments are held in the form of units in unit trusts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

9. INVESTMENTS – QUOTED INVESTMENTS AND CASH HELD FOR INVESTMENT PURPOSES (Continued)

		2020 £	2019 £
(b)	Movements in quoted investments		
	Balance brought forward at 1st August 2019	17,413,979	16,171,792
	Additions	642,809	534,570
	Sale proceeds	(1,127,011)	(119,067)
	Realised and unrealised gain/(loss) - NHLIF	384,065	711,682
	- VRFT	65,142	115,002
	Balance carried forward at 31st July 2020	17,378,984	£17,413,979
	Investments at Cost – NHLIF	£12,579,143	£12,889,941
	Investment at Cost – VRFT	£1,734,663	£1,642,254
(c)	Investments held comprise units in one unit trusts:		
	5,135,210 (2019: 5,465,557) - Sarasin Alpha Charity Fund (Accumulation)	14,815,294	14,990,054
	888,614 (2019: 883,793) - Sarasin Alpha Charity Fund (Accumulation) – VRFT	2,563,690	2,423,925
		£17,378,984	£17,413,979

(d) The units held in unit trusts include the following asset allocations:-

Fixed Income	2,700,740	2,426,169
Equities	11,346,592	12,409,810
Property	919,605	1,571,450
Alternative Investments	1,815,746	676,184
Liquid Assets	596,301	330,366
	£17,378,984	£17,413,979

10. DEBTORS

Other Debtors	22,258	49,560
	£22,258	£49,560

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

11. LIABILITIES: amounts falling due within one year

		2020	2019
		£	£
Grants payable to Imperial College London	- VRFT	120,833	62,500
	- General Fund	381,510	469,207
	- Endowment Fund	277,063	631,790
Audit and Accountancy		5,340	5,160
Professional Fees		750	750
Other Creditors and deferred income		26,403	26,902
		£811,899	£1,196,309

12. GRANTS PAYABLE

		2020	2019
		£	£
Commitments at 1st August 2019		1,493,972	2,126,401
Commitments made in the year	- General Fund	628,837	-
Commitments made in the year	- Endowment Fund	-	-
Commitments made in the year	- VRFT	350,000	-
Commitments made in the year	- COPD	-	-
Grants paid during the year	- General Fund	(859,607)	(594,929)
Grants paid during the year	- VRFT	(50,000)	(37,500)
Commitments at 31st July 2020		£1,563,202	£1,493,972
Commitments at 31st July 2020 are payable as follows:			
Within one year	- General Fund	381,510	469,207
	- Endowment Fund	277,063	631,790
	- VRFT	120,833	62,500
		779,406	1,163,497
After one year	- NHLIF	442,129	230,475
	- VRFT	341,667	100,000
		783,796	330,475
		£1,563,202	£1,493,972

13. FUNDS

	Balance Brought Forward at 1 August 2019	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2020
Unrestricted Funds					
General funds	2,971,659	104,280	581,204	(717,185)	2,939,958
Endowment Funds	15,854,666	279,785	-	-	16,134,451
	18,826,325	384,065	581,204	(717,185)	19,074,409
Restricted Funds					
Viscount Royston Fellowship Trust	2,243,910	65,142	79,472	(361,597)	2,026,927
	£21,070,235	£449,207	£660,676	£(1,078,782)	£21,101,336

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

13. FUNDS (Continued)

	Balance Brought Forward at 1 August 2018	Investment Gain/(Loss)	Income	Resources Expended	Balance Carried Forward at 31 July 2019
Unrestricted Funds					
General funds	2,240,990	153,551	705,687	(128,569)	2,971,659
Endowment Funds	15,296,535	558,131	-	-	15,854,666
	17,537,525	711,682	705,687	(128,569)	18,826,325
Restricted Funds					
Viscount Royston Fellowship Trust	2,064,066	115,002	74,443	(9,601)	2,243,910
	£19,601,591	£826,684	£780,130	£(138,170)	£21,070,235

Viscount Royston Fellowship Trust Fund is dedicated in perpetuity for research into diseases of the heart muscle and into heart disease generally.

14. EXPENDABLE ENDOWMENT

The balance on Expendable Endowment represents donations and bequests received which could be expended at the Trustees' discretion. Investment income arising on Endowment Fund assets can be applied to the generality of the Charity's objects.

15. TAXATION

The National Heart and Lung Institute Foundation is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part II of the Corporation Tax Act 2010 to the extent that such income or gains are applied for exclusively charitable purposes.

16. RELATED PARTIES

Certain Trustees of the Foundation are also governors of Royal Brompton and Harefield NHS Foundation Trust. There were no transactions with this NHS Foundation Trust during the year.

Professor Edwin Chilvers is the Professor of Medicine and Head of the National Heart & Lung Institute which receives grants awarded by the NHLIF. Professor Chilvers is also a Trustee of the NHLIF; he does not receive any remuneration from the NHLIF

17. IMPACT OF COVID-19 PANDEMIC ON CHARITY

For the foreseeable future, the Trustees have resolved to continue to preserve as far as possible the capital base of the Foundation's investments, and to maximise the level of grant aid available to the NHLI. Whilst maintaining its policy of not actively fundraising, Trustees continue to welcome the support of donors to the Foundation. Since the emergence of Covid-19 as a pandemic, the Trustees have been mindful of its current and potential impact. There has been increased volatility in the investment portfolio, but the Board is confident that it will be able to continue to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2020

18. PRIOR YEAR COMPARATIVES

The breakdown between funds of income and expenditure for the year ending 31st July 2019 was as follows:

	-------Unrestricted Funds-------			
	Unrestricted General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund	2019 Total
	£	£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Voluntary Income	244,871	-		244,871
Charitable Activities				
Investment Income	460,816	-	74,443	535,259
TOTAL INCOME	705,687	-	74,443	780,130
EXPENDITURE ON:				
Raising Funds	59,615	-	9,601	69,216
Charitable Activities	68,954	-	-	68,954
TOTAL RESOURCES EXPENDED	128,569	-	9,601	138,170
Gain/(Loss) on Investments	153,551	558,131	115,002	826,684
NET MOVEMENT IN FUNDS	730,669	558,131	179,844	1,468,644
Fund Balances at 1st August 2018	2,240,990	15,296,535	2,064,066	19,601,591
FUND BALANCES AT 31ST JULY 2019	£2,971,659	£15,854,666	£2,243,910	£21,070,235

NATIONAL HEART AND LUNG INSTITUTE FOUNDATION

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of National Heart and Lung Institute Foundation (the 'charity') for the year ended 31 July 2020 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page ~~six~~ four, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
65 Leadenhall Street
London EC3A 2AD

Date: 1st December 2020