

NATIONAL HEART & LUNG FOUNDATION

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

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 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

NATIONAL HEART & LUNG 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 (£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.

NATIONAL HEART & LUNG FOUNDATION

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
	<u>£17,278,181</u>	<u>£18,018,145</u>

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
	<u>£17,278,181</u>	<u>£18,018,145</u>

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.

NATIONAL HEART & LUNG FOUNDATION

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 Reed

Signed on 18/05/24 @ 08:04

17th May 2024

NATIONAL HEART & LUNG FOUNDATION

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.

NATIONAL HEART & LUNG FOUNDATION

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
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-----			2023 Total	2022 Total
	General Fund	Endowment Fund	Restricted Viscount Royston Fellowship Fund		
	£	£	£	£	£
INCOME AND					
ENDOWMENTS FROM:					
Donations and Legacies	2	157,733	-	157,733	138,182
Investment Income	3	420,742	-	502,029	500,137
TOTAL INCOME		578,475	-	659,762	638,319
EXPENDITURE ON:					
Raising Funds	4	70,945	-	84,644	90,288
Charitable Activities	5	74,433	700,000	724,433	946,205
TOTAL RESOURCES EXPENDED		145,378	700,000	809,077	1,036,493
Gain/(Loss) on Investments	9	(73,798)	(141,288)	(256,117)	(818,996)
NET MOVEMENT IN FUNDS		359,299	(841,288)	(405,432)	(1,217,170)
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	21,549,115

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	<u>22,188,156</u>	22,188,156	<u>22,928,120</u>	22,928,120
CURRENT ASSETS					
Debtors	10	80,000		15,830	
Cash at Bank		<u>68,241</u>		<u>256,594</u>	
		148,241		272,424	
Creditors: Amounts falling due within one year	11	<u>(910,108)</u>		<u>(1,194,762)</u>	
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			<u>£21,143,683</u>		<u>£21,549,115</u>
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		<u>4,013,073</u>		<u>3,653,774</u>
TOTAL FUNDS			<u>£21,143,683</u>		<u>£21,549,115</u>

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)
		<u>769,649</u>	<u>801,283</u>
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		<u>498,708</u>	<u>554,137</u>
Cash and cash equivalents at the end of the reporting period		<u><u>94,128</u></u>	<u><u>498,708</u></u>

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
(Increase) in debtors	(64,170)	(12,751)
(Decrease)/Increase in creditors	(458,715)	54,350
Net cash used by operations	<u><u>(1,174,229)</u></u>	<u><u>(856,712)</u></u>

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	<u>242,114</u>	<u>(216,227)</u>	<u>25,887</u>
	<u><u>498,708</u></u>	<u><u>(404,580)</u></u>	<u><u>94,128</u></u>

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.

NATIONAL HEART AND LUNG FOUNDATION

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

NATIONAL HEART AND LUNG FOUNDATION

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
	<u>£724,433</u>	<u>£946,205</u>

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
	<u>£74,433</u>	<u>£37,368</u>

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	<u>22,188,156</u>	<u>£22,928,120</u>

NATIONAL HEART AND LUNG FOUNDATION

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

8. INVESTMENTS – SOCIAL INVESTMENTS

	2023 £	2022 £
Balance at 1 st August 2022 and at 31 st 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
	<u>17,252,294</u>	<u>17,776,031</u>
Cash held for investment purposes		
- NHLF	869	225,097
- Viscount Royston Fellowship Trust	25,018	17,017
	<u>17,278,181</u>	<u>£18,018,145</u>

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

NATIONAL **HEART AND LUNG** FOUNDATION

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 1 st 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 31 st July	<u>17,252,294</u>	<u>17,776,031</u>
Investments at Cost – NHLF	<u>12,082,101</u>	<u>£12,193,080</u>
Investment at Cost – VRFT	<u>1,975,942</u>	<u>£1,895,232</u>
 (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
	<u>17,252,294</u>	<u>£17,776,031</u>
 (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
	<u>17,278,181</u>	<u>£17,776,031</u>

10. DEBTORS

Other Debtors	<u>80,000</u>	<u>15,830</u>
	<u>£80,000</u>	<u>£15,830</u>

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 1 st 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 31 st July 2023	1,142,710	£1,600,454
Commitments at 31 st 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

NATIONAL HEART AND LUNG FOUNDATION

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
	<u>£22,766,285</u>	<u>£(818,996)</u>	<u>£638,319</u>	<u>(£1,036,493)</u>	<u>£21,549,115</u>

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.

NATIONAL HEART AND LUNG FOUNDATION

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