

NORTH WEST LUNG CENTRE

England & Wales · Charity number 1090320

Details

Status Registered

Legal form Charitable company

Company number [03936652](#)

Registered 2002-01-30

Register [View on the Charity Commission register](#)

Contact

Address Kennedy House
31 Stamford Street
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Activities

Objects: 1) TO PROMOTE RESEARCH INTO THE COURSES AND TREATMENT OF HUMAN DISEASES AND TO DISSEMINATE THE SAME TO THE PUBLIC AND DISTRIBUTION.2) TO ENGAGE IN RESEARCH AND DEVELOPMENT OF RESPIRATORY MEDICINES AND GENERAL MEDICINES FOR USE IN CONJUNCTION WITH THE TREATMENT REFERRED TO IN 1) ABOVE3) TO PROMOTE THE HEALTH AND WELL BEING OF PATIENTS WITH RESPIRATORY OR RELATED DISEASES

Activities: Promoting and assisting with the funding of research into lung disease in the North West of England

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£20,870,249	£16,020,775	£132,146,362	175
2024-03-31	£19,573,189	£12,980,503	£39,109,078	162
2023-03-31	£18,973,658	£15,086,614	£31,946,405	162
2022-03-31	£17,496,228	£13,064,035	£28,309,384	140
2021-03-31	£15,867,792	£12,465,318	£24,880,608	122

Trustees

Name	Role	Appointed
Alan Clarke		2026-02-20
Dr Huda Badri		2020-12-09
Dr Louise Ann Brown		2023-07-18
Malcolm Pike		2026-04-27
Professor Andrew Mark Jones		2006-10-24
Professor Ashley Woodcock		2025-06-25
Professor Clare Suzanne Murray		2007-01-12
Professor Jorgen Vestbo		2018-04-16
Professor Richard Booton		2026-04-27
Professor Sukh Dave Singh		2026-04-27
RICHARD BAILEY		2025-12-08
Timothy Graham Heatley		2025-12-08

Accounts

Company registration number: 03936652 (England & Wales)
Charity registration number: 1090320

**North West Lung Centre
Group Strategic Report,
Report of the Trustees and
Consolidated Financial Statements
For the year ended 31 March 2025**

**North West Lung Centre
Consolidated Financial Statements
For the year ended 31 March 2025**

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North West Lung Centre
Reference and Administrative details
For the year ended 31 March 2025

Company registration number	03936652
Charity registration number	1090320
Trustees	Professor J Vestbo Professor C S Murray Dr A M Jones Dr H Badri Dr L A Brown Professor A A Woodcock Mr R C Bailey Mr T G Heatley Mr A Clarke
Company secretary	Professor C S Murray
Registered office & principal address	F1, Kennedy House 32 Stamford Street Altrincham Cheshire WA14 1ES
Auditors	Mitchell Charlesworth (Audit) Limited Mynshull House 78 Churchgate Stockport SK1 1YJ
Bankers	Royal Bank of Scotland Plc 467 Wilmslow Road Withington Manchester M20 4AN Clydesdale Bank Plc Trading as Virgin Money Sunderland SR43 4JB
Investment managers	Quilter Cheviot 4 th Floor, Bauhaus 27 Quay Street Manchester M3 3GY

North West Lung Centre Trustees Annual Report For the year ended 31 March 2025

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity and the group for the year ended 31 March 2025. The trustees have adopted the provisions of 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).

Trustees of the charity

The trustees who have served during the year and since the year end were as follows:

Professor J Vestbo
Professor C S Murray
Dr A M Jones
Dr H Badri
Dr L A Brown
Professor A A Woodcock (appointed 25.6.25)
Mr R C Bailey (appointed 8.12.25)
Mr T G Heatley (appointed 8.12.25)
Mr A Clarke (appointed 29.1.26)
Mr J H Alcock (resigned 8.11.25)
Mr A K Webb (resigned 18.12.25)

Objectives and activities

The objects of the charity are:

- To promote research into the causes and treatment of human diseases and disseminate the same to the public.
- To engage in research and development of respiratory medicines and general medicines for use in connection with the treatment referred to above.
- To promote the health and wellbeing of patients with respiratory or related diseases.

Through its close involvement with Manchester University NHS Foundation Trust (Wythenshawe) and in particular the North West Lung Research Centre, the Charity seeks to promote and assist in funding research into lung disease in the North West of England. It seeks to do this by identifying worthwhile and relevant research projects and supporting these financially using funds donated directly as well as those donated by its subsidiary companies.

Public benefit statement

The trustees have considered the Charity Commission guidance on public benefit and consider that the objectives and activities of the charity provide a public benefit in that they contribute to the advancement of public health with a specific focus on the North West of England.

Strategic Report

Achievements and performance

The Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), has had another excellent year and the activities continue to grow. The company's turnover for the year ended 31st March 2025 was £18,188,618 and it was planned to donate £1,200,000 to the Charity in the financial year 24-25. The company operates a thirty-six clinical trials facility and was approached by IQVIA to buy out the company. The sale was being negotiated (estimated £80,000,000) and was close to being completed at the year end, thus MEU elected not to donate just prior to the transaction. The sale went through on 13th June 2025. Thus, the Charity did not receive the planned donation for this financial year, and the accounts are reflected accordingly.

The Charity continues to provide infrastructure support for respiratory research at the North West Lung Research Centre, Manchester University NHS Foundation Trust, the University of Manchester, and from 2017 also the Respiratory Team of the NIHR Manchester Biomedical Centre, as well as support for projects and posts. Not least the latter has enabled several of the current University faculty to start and/or accelerate their research and has therefore often led to attraction of further substantial funding.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2025**

**Strategic Report
Achievements and performance- continued**

The funding awarded this year supports:

1. Pickering Fellowships.
The Charity has over the years part funded a senior post for a clinical academic as a bridge to securing an external fellowship. The Charity is very proud of the fellowships. We believe they are an important way of growing new respiratory academics and previous Pickering fellows have all gone on to do well in respiratory research, securing significant external funding and clinical academic posts within the NHS and University.
The Charity approved one new 1 year fellowship in personalised medicine for COPD sufferers. The opportunity to apply for new fellowships was advertised in the new year and there were several applications. Interviews and recommendations to the board will be made for the new financial year.
A previous recipient of a Pickering fellowship in proteomics in CF and non-CF bronchiectasis was provided with funding for 1 day a week for 6 months to allow completion of grant applications and an NIHR award.
Bridging funding was also provided for a previous Pickering fellow. Their current NIHR award was to end in March 2025 and an MRC fellowship would not start until September 2025, this provided 0.4FTE salary for the 6-month interim period.
2. Small project grants.
These were advertised in October 2024, applicants could apply for up to £60,000 to carry out a project over 12-24 months.
18 applications were submitted and reviewed and scored by the scientific committee. Seven were approved for funding, a total value of £356,787.
 1. Optimising the diagnosis of asthma
 2. A novel diagnostic test to differentiate chronic spontaneous urticaria from food allergy in patients with urticarial rashes
 3. Establishing an interstitial lung abnormality registry
 4. Stratification of COPD according to eosinophil phenotypes
 5. Anti-inflammatory and Anti-oxidative stress effects of PDE3/4 inhibitor ensifentrine in COPD models
 6. T-Clip:- T lymphocyte contribution to ILD pathogenesis and progression
 7. Shift work and risk for incident asthma -
3. A project grant of £87,947 to support an ongoing Manchester based cohort study – The Manchester Asthma and Allergy study (University of Manchester) enable the 25 year follow up of the valuable birth cohort investigating the risk factors for asthma and allergy.
4. The Charity was pleased to support and fund a three-year clinical fellow post to support the work of the PULSE-CF Innovation Hub.
This multi-million-pound Innovation Hub in Manchester will be part of a new £15 million Translational Innovation Hub Network, funded by medical research charity LifeArc and leading charity Cystic Fibrosis Trust. Research in Manchester will take place at Wythenshawe Hospital (MFT), focusing on understanding why people develop lung exacerbations (flare-ups) and how to personalise treatments for them. By sharing samples, recording results at home, and measuring their home air pollution levels, people with CF will play an important part in studying what triggers these flare-ups and who is most affected.
The charity will contribute up to £282,602, (depending on seniority of the appointee) to support a clinical fellow to be appointed, and will pay for all salary and University registration fees for a higher degree for this individual.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2025**

**Strategic Report
Achievements and performance- continued**

5. The charity provided bridging funding for the salary of a former PhD student analysing findings from the Manchester Early Detection of Lung Cancer programme. The Manchester approach to lung cancer screening using mobile scanner facilities and combining with screening for other chronic lung diseases is set to be the model used by NHS England when lung cancer screening goes nationwide.
6. The Charity provided salary for 2 years for a post doctoral researcher in the Cough research team. This would allow sufficient time to complete the analysis of cough fMRI work and to support the publication of this. In addition analysis of cough challenge data studies and publication of these results. This work would then be utilised in the application of a Wellcome fellowship by the same researcher.
7. Top up funding was provided towards an ongoing research co-ordinator within the respiratory BRC to end January 2026 to enable researchers in the group to work more efficiently.
8. Funding was provided for salary for a lab assistant for 2 years who would work as part of a team of four technicians providing close to patient sample handling and downstream processing for most of the research projects undertaken in the NWLC including The Manchester Asthma and Allergy Study (MAAS), RADicA, Airprom, Manchester Allergy, Respiratory and Thoracic Surgery Biobank (ManARTS), studies conducted within the NIHR Manchester Clinical Research Facility in addition to studies in Idiopathic Pulmonary Fibrosis and COPD.
9. A small honorarium was provided to 2 notable respiratory academics from other institutions to attend Manchester for 2 days for the purpose of providing a constructive review and report on the Manchester Respiratory academic unit in order to benchmark, plan and progress research locally.
10. A small consumable grant was approved for the Manchester Allergy, Respiratory and Thoracic Surgery Biobank (ManARTS), up to £5,000/year for 3 years. The ManARTS biobank provides tissue samples and data to multiple researchers for pilot and larger projects across the Northwest and the UK. This grant facilitates the collection and storage of these precious samples and ensures high quality curation.
11. A grant of up to £10,000 has been made to the respiratory group of the Division of immunology, immunity to infection and respiratory medicine (DIIRM) to pay towards expenses for speakers at the monthly seminar series, to ensure high quality education to all respiratory staff. This grant was to be matched by the Division themselves.
12. The Charity provided the salary for a new post of project co-ordinator to support all respiratory researchers based in Manchester. The co-ordinator will assist with financial issues as well as governance, ethics, contracts and sponsorship to aid the smooth running of ongoing and new research projects within the group.
13. Two years funding for a part-time respiratory physiologist was provided for the Cough team to enable completion of their complex cough challenge studies.
14. Over the course of the year the Charity awarded several travel fellowships to early career researchers and allied health care professionals to attend national and international conferences to present their research. 15 were awarded to attend the European Respiratory Society annual Congress in Vienna in September 2024, 5 to attend the Annual British Thoracic Society Winter meeting in London in November 2024 and 3 awards were made to travel to other important Respiratory Conferences during the year. All provided the recipient with up to £750 to cover expenses.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2025**

**Strategic Report
Achievements and performance- continued**

15. The Charity have agreed to fund an equipment update for the Altounyan Seminar room in the NWLC at Wythenshawe Hospital. The Seminar room is used for a variety of educational events and regular departmental teaching sessions, and the audio-video equipment is in need of updating. The Charity set aside a budget of approximately £10,000 for renovation.
16. The Charity continues to fund a number of infrastructure posts including a data manager, research nurse, research practitioners, laboratory post-doc, AMR lab staff and Biobank Co-ordinator.

Financial review

The group accounts reflect a net increase in funds during the year of £93,703,966 (2024 - £5,907,494). At the year end, the group's reserves totalled £129,938,522 (2024 - £36,234,558).

There were unrealised losses on the Charity's investment portfolio of £111,206 (2024 – profit £33,203) and realised profits of £113,913 (2024 - £20,856) on investment disposals. The net profit on the Charity's investment portfolio amounted to £2,707 (2024 - £54,059). Investment income at £19,918 compares with £23,144 received in the previous accounting year.

Following the realisation of a gain on the disposal of the investment in the subsidiary undertakings after the year end, the fair value of the shares held at the year end have been revalued to £90,108,283 (2024 - £1,656).

Reserves policy

It is the trustee's policy to maintain sufficient reserves to enable the Charity to continue to support current research. The continuous success and profitability of the NWLCC's subsidiary companies allows the charity to maintain unrestricted reserves at a level that can be re-assessed annually. As a result of the recent acquisition by IQVIA, the North West Lung Centre's approach to reserve funds and future proofing the charities ability to support current and future research, will be tailored to the post-acquisition strategy.

Investment powers and policy

Under the Articles of Association the trustees have the power to make any investments on behalf of the Charity that they see fit. In considering investment decisions the trustees make due consideration of social, environmental and ethical matters. Furthermore, the trustees are seeking to make updates to the investment strategy, considering the charities new financial landscape.

Future plans

The Charity has plans to update its research strategy in 25-26 in light of its recent changes in circumstance. However, its objectives will remain unchanged.

The trustees anticipate that future Pickering Fellowships will be available for application in 2025-26, along with the likely availability of PhD studentships. Small travel grants will be made available in 2025-26 for early career researchers and allied health-care professionals to apply to attend National and International conferences to present their work.

Structure, governance and management

Governing Document

North West Lung Centre is a charitable company limited by guarantee, incorporated on 29 February 2000 and registered as a charity on 30 January 2002. The governing document is the company's Memorandum and Articles of Association.

Recruitment and appointment of Trustees

New trustees are appointed following recommendation from the existing trustees. Under the requirements of the Memorandum and Articles of Association, one third of the trustees shall retire by rotation at each Annual General Meeting. If the resulting vacancies are not filled, then the retiring trustees are, providing they are willing to act, deemed to be reappointed unless the meeting resolves not to fill the vacancies.

North West Lung Centre Trustees Annual Report For the year ended 31 March 2025

Trustee induction and training

All existing trustees are familiar with the work of the charity, new trustees are assisted and encouraged to make themselves aware of the operation of the Charity and the context within which it operates. In particular:

- The obligations of trustees and directors.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems of procedures have been established to mitigate the risks the charity face.

Organisation

The trustees are responsible for the strategic direction and policy of the charity, and the management of the day-to-day activities of the charity. The Articles dictate that there shall be a minimum of three trustees but there is no prescribed maximum. All services provided by the trustees are on a voluntary basis.

The liabilities of the members is limited. In winding up each member shall be required to contribute an amount not exceeding £10. Application for membership of the Charity must be approved by the trustees and the number of members shall not be less than two.

Related Parties

At 31 March 2025, the Charity owned 84.92% of the share capital of Medicines Evaluation Unit Limited and 69.87% of the share capital of CRO Solutions Limited. Medicines Evaluation Unit Limited is a company principally engaged in evaluating medicines for the pharmaceuticals industry. CRO Solutions Limited is a clinical research organisation. The subsidiaries ceased to be related parties after the balance sheet date.

Statement of trustees' responsibilities

The trustees (who are also the directors of North West Lung Centre for the purposes of company law) are responsible for preparing the Report of the trustees, including the group strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial period which show a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2025**

Disclosure of information to the auditors

We, the trustees of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Mitchell Charlesworth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board:



Prof. C Murray
Trustee and Board Secretary

Date 03/27/2026

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2025

Opinion

We have audited the financial statements of North West Lung Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company affairs as at 31 March 2025 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of North West Lung Centre

For the year ended 31 March 2025

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, the trustees, who are also directors of the parent charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 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.

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:

We worked closely with the trustees and senior management to identify the relevant laws and regulations and compliance therewith. Our procedures and sampling were designed to identify irregularities and remove the risk of material misstatements.

As part of an audit in accordance with ISA's (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent charitable company's internal control. Accordingly, no such opinion is expressed.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2025

Auditors' responsibilities for the audit of the financial statements - continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the group's and the parent charitable company's ability to continue as a going concern for a reasonable period of time.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control related matters that we identified during the audit.

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 auditors.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Joyce ACA (Statutory Senior Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited
Mynshull House
78 Churchgate
Stockport
SK1 1YJ

Date

North West Lung Centre
Consolidated Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2025

	<i>Note</i>	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 As restated £
INCOME					
Donations and legacies	4	11,239	-	11,239	410,685
Other trading activities:					
Trading income	5	19,664,293	-	19,664,293	18,685,723
Other income	5	25,197	-	25,197	27,134
Income from investments	6	1,169,520	-	1,169,520	449,647
TOTAL INCOME		20,870,249	-	20,870,249	19,573,189
EXPENDITURE					
Expenditure on raising funds:					
Trading expenses		14,340,550	-	14,340,550	12,067,647
Investment management fees		11,261	-	11,261	11,469
Expenditure on charitable activities:					
Promotion of research	7	1,218,253	423,990	1,642,243	878,648
Governance costs	7	26,721	-	26,721	22,739
TOTAL RESOURCES EXPENDED		15,596,785	423,990	16,020,775	12,980,503
Net incoming resources before gains/(losses) on investments		5,273,464	(423,990)	4,849,474	6,592,686
Net gains/(losses) on investments		90,185,535	-	90,185,535	698,541
Net income before taxation		95,458,999	(423,990)	95,035,009	7,291,227
Taxation	11	(233,371)	-	(233,371)	482,873
Net movement in funds		95,225,628	(423,990)	94,801,638	7,774,100
Prior year adjustment		-	-	-	(616,564)
Net movement in funds since last annual report		95,225,628	(423,990)	94,801,638	7,157,536

North West Lung Centre
Consolidated Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2025

	Unrestricted funds 2025	Restricted funds 2025	Total funds 2025	Total funds 2024 As restated
	£	£	£	£
Net movement in funds for the year is attributable to:				
- Parent charity	94,127,956	(423,990)	93,703,966	5,907,494
- Non-controlling interests	1,097,672	-	1,097,672	1,250,042
	95,225,628	(423,990)	94,801,638	7,157,536
RECONCILIATION OF FUNDS				
Total funds brought forward at 1 April 2024	37,784,573	443,261	38,227,834	31,681,724
Net movement in funds for the year is attributable to:				
- Parent charity	94,127,956	(423,990)	93,703,966	5,907,494
- Non-controlling interests	1,097,672	-	1,097,672	1,250,042
- Dividends paid to non-controlling interests in subsidiary undertakings	(1,147,791)	-	(1,147,791)	(611,426)
Total funds carried forward at 31 March 2025	131,862,410	19,271	131,881,681	38,227,834

The consolidated statement of financial activities includes all gains and losses recognised during the year.

**North West Lung Centre
Consolidated Balance Sheet
For the year ended 31 March 2025**

	<i>Note</i>	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 As restated £
Fixed assets					
Tangible assets	16	3,527,983	-	3,527,983	3,644,360
Investments	17	91,021,748	-	91,021,748	7,826,681
		<u>94,549,731</u>	<u>-</u>	<u>94,549,731</u>	<u>11,471,041</u>
Current assets					
Debtors	18	7,643,916	-	7,643,916	8,963,327
Cash at bank and in hand		36,312,152	1,648,512	37,960,664	24,952,902
		<u>43,956,068</u>	<u>1,648,512</u>	<u>45,604,580</u>	<u>33,916,229</u>
Creditors					
Amounts falling due within one year	19	5,775,998	1,028,917	6,804,915	5,714,932
		<u>5,775,998</u>	<u>1,028,917</u>	<u>6,804,915</u>	<u>5,714,932</u>
Net current assets		<u>38,180,070</u>	<u>619,595</u>	<u>38,799,665</u>	<u>28,201,297</u>
Total assets less current liabilities		<u>132,729,801</u>	<u>619,595</u>	<u>133,349,396</u>	<u>39,672,338</u>
Creditors					
Amounts falling due after more than one year	20	554,489	600,324	1,154,813	1,131,602
Provisions for liabilities	21	48,221	-	48,221	48,221
Total assets		<u>132,127,091</u>	<u>19,271</u>	<u>132,146,362</u>	<u>38,492,515</u>
Funds attributable to:					
- Parent charity		129,919,251	19,271	129,938,522	36,234,558
- Non-controlling interests		<u>2,207,840</u>	<u>-</u>	<u>2,207,840</u>	<u>2,257,957</u>
		<u>132,127,091</u>	<u>19,271</u>	<u>132,146,362</u>	<u>38,492,515</u>

The financial statements were approved by the Board of Trustees and authorised for issue by the on 03/27/2026 and signed on its behalf by:

Prof. C Murray
Trustee



Dr A M Jones
Trustee

Company registration number 03936652

**North West Lung Centre
Company Balance Sheet
For the year ended 31 March 2025**

	<i>Note</i>	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Fixed assets					
Investments	17	<u>91,023,370</u>	<u>-</u>	<u>91,023,370</u>	<u>902,951</u>
		<u>91,023,370</u>	<u>-</u>	<u>91,023,370</u>	<u>902,951</u>
Current assets					
Debtors	18	<u>33,543</u>	<u>-</u>	<u>33,543</u>	<u>-</u>
Cash at bank and in hand		<u>1,759,674</u>	<u>1,648,512</u>	<u>3,408,186</u>	<u>4,401,291</u>
		<u>1,793,217</u>	<u>1,648,512</u>	<u>3,441,729</u>	<u>4,401,291</u>
Creditors					
Amounts falling due within one year	19	<u>2,073,809</u>	<u>1,028,917</u>	<u>3,102,726</u>	<u>2,481,733</u>
Net current (liabilities)/assets		<u>(280,592)</u>	<u>619,595</u>	<u>339,003</u>	<u>1,919,558</u>
Total assets less current liabilities		<u>90,742,778</u>	<u>619,595</u>	<u>91,362,373</u>	<u>2,822,509</u>
Creditors					
Amounts falling due after more than one year	20	<u>554,489</u>	<u>600,324</u>	<u>1,154,813</u>	<u>1,131,602</u>
Total assets		<u><u>90,188,289</u></u>	<u><u>19,271</u></u>	<u><u>90,207,560</u></u>	<u><u>1,690,907</u></u>
Funds					
Unrestricted funds				<u>90,188,289</u>	<u>1,247,646</u>
Restricted funds				<u>19,271</u>	<u>443,261</u>
				<u><u>90,207,560</u></u>	<u><u>1,690,907</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue by the on 03/27/2026 and signed on its behalf by:



Prof. C Murray
Trustee



Dr A M Jones
Trustee

Company registration number 03936652

North West Lung Centre
Consolidated Statement of Changes in Equity
For the year ended 31 March 2025

	Unrestricted funds	Restricted funds	Share capital	Share premium	Total fund balances
	£	£	£	£	£
At 1 April 2023	31,049,642	632,082	504	264,177	31,946,405
Prior year adjustment	(616,564)	-	-	-	(616,564)
As restated	30,433,078	632,082	504	264,177	31,329,841
Changes in equity					
Net movement in funds	7,962,921	(188,821)	-	-	7,774,100
Dividends paid to Non-controlling interests	(611,426)	-	-	-	(611,426)
At 31 March 2024	37,784,573	443,261	504	264,177	38,492,515
Changes in equity					
Net movement in funds	95,225,628	(423,990)	-	-	94,801,638
Dividends paid to Non-controlling interests	(1,147,791)	-	-	-	(1,147,791)
At 31 March 2025	131,862,410	19,271	504	264,177	132,146,362
			Total controlling interest	Non-controlling interest	Total fund balances
			£	£	£
At 1 April 2023			30,327,064	1,619,341	31,946,405
Prior year adjustment			(523,605)	(92,959)	(616,564)
As restated			29,803,459	1,526,382	31,329,841
Changes in equity					
Net movement in funds			6,431,099	1,343,001	7,774,100
Dividends paid to Non-controlling interests			-	(611,426)	(611,426)
At 31 March 2024			36,234,558	2,257,957	38,492,515
Changes in equity					
Net movement in funds			93,703,965	1,097,673	94,801,638
Dividends paid to Non-controlling interests			-	(1,147,791)	(1,147,791)
At 31 March 2025			129,938,523	2,207,839	132,146,362

North West Lung Centre
Consolidated Cash Flow Statement
For the year ended 31 March 2025

		2025	2024
		£	As restated £
	<i>Note</i>		
Cash flows from operating activities			
Cash generated from operations	23	5,881,183	2,652,346
Interest paid		-	(165)
Tax paid		133,163	580,522
Net cash from operating activities		6,014,346	3,232,703
Cash flows from investing activities			
Purchase of tangible fixed assets		(129,697)	(13,708)
Purchase of fixed asset investments		(2,029,763)	(1,832,453)
Sale of fixed asset investments		9,020,231	1,630,208
Interest received		1,028,043	312,753
Dividends received		141,477	136,894
Net cash from investing activities		8,030,291	233,694
Cash flows from financing activities			
Amount withdrawn by directors		-	92,376
Called up share capital not paid		110,916	-
Dividends paid to non-controlling interests		(1,147,791)	(611,426)
Net cash from financing activities		(1,036,875)	(519,050)
Increase/(decrease) in cash and cash equivalents		13,007,762	2,947,347
Cash and cash equivalents at beginning of year	24	24,952,902	22,005,555
Cash and cash equivalents at end of year	24	37,960,664	24,952,902

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

1 Statutory Information

North West Lung Centre is a private charitable company, limited by guarantee and registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page one of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report.

2 Accounting policies

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the recommendations of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS 102) (effective 1 January 2019) and UK Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis under the historical cost convention modified to the extent that listed investments are included at fair value.

The financial statements are presented in sterling, which is the functional currency of the company. All amounts stated are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

The group financial statements consolidate the financial statements of the charitable company and its subsidiaries, Medicines Evaluation Unit Limited and CRO Solutions Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and as permitted by FRS 102.

The surplus of the parent charity for the year to 31 March 2025 was £88,384,730 (2024 - £2,018,803).

All financial statements are made up to 31 March 2025. All inter-company transactions and balances between group companies are eliminated on consolidation.

Medicines Evaluation Unit Limited and CRO Solutions Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group financial statements and statement of cash flows include the results and cash flows of both companies. The non-controlling interest of each company has been separately disclosed.

Going concern

The trustees when undertaking their assessment of the group's financial position, considering the proceeds received from the sale of the shares in the subsidiary companies after the year end, are confident that there is a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Thus, the group company has prepared the financial statements on a going concern basis.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Any capital gains or losses arising on the investments form part of the unrestricted fund. Investment management charges and legal advice relating to the investments are charged against the unrestricted fund.

Restricted funds represent funds received from Medicines Evaluation Unit Limited which are intended to fund specific research projects as requested by the directors.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

2 Accounting policies - continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. The costs of each activity are made up of the total of direct costs and a share of other costs including support costs involved in undertaking each activity. Costs are categorised under the following headings:

- Costs of raising funds include costs incurred in attracting voluntary income, managing the charity's investment portfolio and those costs incurred in trading activities that raise funds.
- Expenditure on charitable activities comprises expenditure associated with the funding of research into lung disease and other activities of the Charity as detailed in the Trustees report; and
- Other expenditure represents those items not falling into the categories above and generally relates to Governance costs which include those costs primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short leasehold land and buildings	Over the term of the lease
Medical and office equipment	25% on cost
Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	33% on cost

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

2 Accounting policies – continued

Investments

Fixed asset Investments are recognised initially at transaction price excluding transaction costs. Subsequently, they are measured at fair value at each reporting date with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

For the purposes of the Charity's balance sheet, the investments in Medicines Evaluation Unit Limited and CRO Solutions Limited are shown at the fair value to the charity.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks, and other short term liquid investments.

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the group and company balance sheets when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

2 Accounting policies – continued

Taxation

Taxation for the year comprises current and deferred tax in respect of the group companies. Tax is recognised in the Consolidated Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The parent company meets the definition of a charitable company and is potentially exempt from taxation in respect of its income and capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover from trading activities

Turnover is recognised at the fair value of the consideration received or receivable for services provided in connection with the operation of clinical trials and related services.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the normal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged as an expense on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group's subsidiary undertakings contribute to a defined contribution pension scheme. Contributions payable are charged as an expense in the period to which they relate.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

2 Accounting policies – continued

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Costs relating to any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees and directors are required to make judgements, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Management have used their expectation of the estimated useful lives of each category of assets in order to ensure the appropriate provision is made for depreciation. Details of the estimated useful lives are noted in the accounting policies and the depreciation provision is stated in note 15.

Amounts recoverable under contracts are measured by management who by reference to individual contracts assess the stage of completion by determining the proportion of work completed and costs incurred to ensure that revenue is recognised in the correct accounting period.

4 Income from donations and legacies

	2025	2024
	£	£
General donations	<u>11,239</u>	<u>410,685</u>

5 Income from other trading activities

	2025	2024
	£	As restated £
Trading activities		
Turnover - clinical trials	19,664,293	18,685,723
Other income	<u>25,197</u>	<u>27,134</u>
	<u>19,689,490</u>	<u>18,712,857</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

6 Income from investments

	2025	2024
	£	As restated £
Bank interest	1,028,043	312,753
Income from listed investments	141,477	136,894
	<u>1,169,520</u>	<u>449,647</u>

7 Expenditure on charitable activities

	2025	2024
	£	£
Promotion of research		
Research grants to institutions	1,614,952	850,766
Grants to individuals	21,995	22,291
Donations	5,296	5,591
	<u>1,642,243</u>	<u>878,648</u>

	2025	2024
	£	£
Governance costs		
Legal and professional fees	216	7,452
Auditors remuneration	18,300	14,180
Honorariums	7,700	-
Sundries	46	660
Bank charges	459	447
	<u>26,721</u>	<u>22,739</u>

8 Analysis of grants

The majority of grants are made to institutions, with a small number made to individuals, in furtherance of the charitable objectives as detailed in the Trustees Report. Grants awarded to institutions by the company during the year were to the Manchester University NHS Foundation Trust, The University of Manchester and to the University of Hull. The total cost of grants awarded includes support costs and is disclosed on the face of the SoFA as Promotion of Research, a breakdown of the costs is included in note 7 to the accounts.

Where awards have been granted and not claimed within the award period, any remaining funds are credited back to the company following expiry of the award period and deducted from the value of new awards during the year as detailed in note 9.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

8 Analysis of grants - continued

The following institutions received grant support from the charity during the year:

	2025	2024
	£	£
Manchester University NHS Foundation Trust	1,266,367	674,591
The University of Manchester	303,536	176,175
Research & Innovation, University of Hull	45,049	-
	<u>1,614,952</u>	<u>850,766</u>

The nature of the projects supported during the year from grants to institutions are as follows:

	2025	2024
	£	£
Research projects	1,141,586	278,353
Salary awards	372,762	103,770
Fellowship awards	98,124	123,000
Purchase of equipment and consumables	2,480	345,643
	<u>1,614,952</u>	<u>850,766</u>

The nature of the activities supported during the year from grants to individuals are as follows:

	2025	2024
	£	£
Travel and conference costs	21,995	22,291
	<u>21,995</u>	<u>22,291</u>

9 Movements in funding commitments

The Charity awards a number of grants, some are awarded and paid out in the same financial year. However, some grants especially those relating to research or funding specific posts are multi-year grants paid over a longer period.

The movement in funding commitments during the year is as follows:

	Current liabilities	Non-current liabilities	Total
	£	£	£
Opening balance at 1 April 2024	2,467,780	1,131,602	3,599,382
New funding awards approved during the year	1,043,013	703,747	1,746,760
Unused amounts reversed during the year	(109,792)	-	(109,792)
Movement from non-current to current	680,536	(680,536)	-
Amounts paid during the year	(1,053,068)	-	(1,053,068)
Closing balance at 31 March 2025	<u>3,028,469</u>	<u>1,154,813</u>	<u>4,183,282</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

10 Auditors remuneration

	2025	2024
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>11,880</u>	<u>8,780</u>
Fees payable to the Charity's auditor in respect of non-audit services not included in the above	<u>6,420</u>	<u>5,400</u>

11 Taxation

	2025	2024
	£	As restated £
Current tax:		
UK corporation tax	233,371	(460,655)
Deferred tax	-	(22,218)
Tax on net income	<u>233,371</u>	<u>(482,873)</u>
UK Corporation tax has been charged at 25% (2024 - 25%)		

Reconciliation of tax credit included in the Consolidated Statement of Financial Activities

	2025	2024
	£	As restated £
Net income before taxation	6,544,352	5,246,429
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 25%)	1,636,088	1,311,607
Effects of:		
Expenses not deductible for tax purposes	165,392	-
Income not taxable for tax purposes	(17,089)	(164,448)
Capital allowances in excess of depreciation	(3,172)	-
Depreciation in excess of capital allowances	31,414	32,600
Adjustments to tax charge in respect of previous periods	-	(79,165)
Research and development tax claim	(1,579,262)	(1,561,249)
Deferred tax adjustment	-	(22,218)
Other tax adjustment	-	-
Total tax credit	<u>233,371</u>	<u>(482,873)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

12 Net income

Net income is stated after charging/(crediting):

	2025	2024
		As restated
	£	£
Operating lease rentals	92,966	83,051
Depreciation - owned assets	246,074	248,328
(Profit)/loss on disposal of fixed assets	(874,259)	(100,064)
Foreign exchange differences	(3,422)	-

13 Trustees remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2024 - £Nil).

Conference expenses amounting to £213 (2024 - £456) were reimbursed to one of the trustees during the year.

An honorarium of £6,000 was payable to trustee J Alcock in the year (2024 £Nil).

14 Staff costs and employee benefits

The average number of employees during the year was as follows:

	2025	2024
Admin	68	61
Clinical	107	101
	175	162

The total staff costs and employee benefits were as follows:

	2025	2024
		As restated
	£	£
Wages and salaries	7,664,220	6,700,399
Social security	814,609	680,137
Other pension costs	333,914	280,428
	8,812,743	7,660,964

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

14 Staff costs and employee benefits - continued

The number of group employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2025	2024
£60,001 - £70,000	9	2
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£140,001 - £150,000	-	1
£160,001 - £170,000	1	-
£180,001 - £190,000	-	1
£210,001 - £220,000	-	1
£230,001 - £240,000	1	1
£240,001 - £250,000	1	-

The key management personnel of the group comprise the directors of the subsidiary undertakings Medicines Evaluation Unit Limited and CRO Solutions Limited whose employee benefits totalled £636,962 (2024: £483,116).

15 Prior year adjustment

A prior year adjustment has been recorded to recognise the contribution made by Manchester University Foundation Trust in respect of the construction of the bronchoscopy unit in Medicines Evaluation Unit Limited. The adjustment also recognises the provision of a loan by the company, the subsequent loan repayments and other costs recharged in respect of this project.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

16 Tangible fixed assets

Group	Short Leasehold	Plant and Machinery	Fixtures and fittings	Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	5,416,015	944,065	572,454	6,959	247,288	7,186,781
Additions	-	76,121	18,472	-	35,104	129,697
At 31 March 2025	5,416,015	1,020,186	590,926	6,959	282,392	7,316,478
Depreciation						
At 1 April 2024	1,985,030	832,373	470,771	6,959	247,288	3,542,421
Charge for the year	146,172	58,953	33,602	-	7,347	246,074
At 31 March 2025	2,131,202	891,326	504,373	6,959	254,635	3,788,495
Net book value						
At 31 March 2025	3,284,813	128,860	86,553	-	27,757	3,527,983
At 31 March 2024	3,430,985	111,692	101,683	-	-	3,644,360

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

17 Fixed asset investments

Group	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 April 2024	7,826,880	1	7,826,681
Additions	1,994,097	33	2,029,763
Disposals	(8,145,972)	-	(8,145,972)
Movement in valuation	(759,718)	90,106,627	89,311,276
At 31 March 2025	915,087	90,106,661	91,021,748
Market value			
At 31 March 2025	915,087	90,106,661	91,021,748
At 31 March 2024	7,826,680	1	7,826,681

The movement in the valuation of the unlisted investments reflects the post year end disposal value as disclosed in note 27.

Company	Shares in group undertakings	Listed investments	Total
	£	£	£
Cost or valuation			
At 1 April 2024	1,656	901,295	902,951
Additions	-	915,805	915,805
Disposals	-	(790,807)	(790,807)
Movement in valuation	90,106,627	(111,206)	89,995,421
At 31 March 2025	90,108,283	915,087	91,023,370
Market value			
At 31 March 2025	90,108,283	915,087	91,023,370
Market value			
At 31 March 2024	1,656	901,295	902,951

Subsidiary undertakings

The following were subsidiary undertakings of the charity at 31 March 2025.

Name	Registered Office Address	Class of share	Holding
Medicines Evaluation Unit Limited (Company number 0379957)	3 Forbury Place, 23 Forbury Road, Reading RG1 3JH	Ordinary 'A'	84.92%
CRO Solutions Limited (Company number 09157193)	3 Forbury Place, 23 Forbury Road, Reading RG1 3JH	Ordinary 'A'	69.87%

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

18 Debtors

	Group		Company	
	2025	2024	2025	2024
		As restated		
	£	£	£	£
Trade debtors	1,507,923	4,444,862	-	-
Amounts recoverable on contracts	3,339,770	2,523,572	-	-
Other debtors	113,005	135,629	33,543	-
Tax	1,465,221	1,138,821	-	-
Called up share capital not paid	-	110,916	-	-
Prepayments and accrued income	1,217,997	609,527	-	-
	<u>7,643,916</u>	<u>8,963,327</u>	<u>33,543</u>	<u>-</u>

19 Creditors – Amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
		As restated		
	£	£	£	£
Trade creditors	96,344	36,551	15,034	-
Corporation tax	692,934	-	-	-
Social security and other taxes	243,398	195,447	-	-
Other creditors	3,062,012	2,464,639	3,062,012	2,464,639
Accruals and deferred income	2,710,227	3,018,295	25,680	17,094
	<u>6,804,915</u>	<u>5,714,932</u>	<u>3,102,726</u>	<u>2,481,733</u>

20 Creditors – Amounts falling due after more than one year

	Group		Company	
	2025	2024	2025	2024
		As restated		
	£	£	£	£
Other creditors	<u>1,154,813</u>	<u>1,131,602</u>	<u>1,154,813</u>	<u>1,131,602</u>

There were no liabilities falling due after more than five years.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

21 Provisions for liabilities and charges

	2025	2024
		As restated
	£	£
Deferred tax		
Accelerated capital allowances	<u>48,221</u>	<u>48,221</u>
		Deferred Tax
		£
Group		
Balance as at 1 April 2024		48,221
Transfer to Statement of Financial Activities		-
Balance as at 31 March 2025		<u>48,221</u>

22 Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025	2024
		As restated
	£	£
Not later than one year	165,355	154,716
Later than one year and not later than five years	371,682	437,515
In more than five years	681,536	2,118,462
	<u>1,218,573</u>	<u>2,710,693</u>

23 Reconciliation of cash generated from operations

	2025	2024
		As restated
	£	£
Net incoming resources before taxation	95,035,010	7,291,226
Depreciation charges	246,075	248,327
(Profit)/loss on disposal of fixed assets	(874,259)	(120,920)
(Gain)/loss on valuation of investments	(89,311,276)	(577,621)
Finance costs	-	165
Finance income	(1,169,520)	(449,647)
	<u>3,926,030</u>	<u>6,391,530</u>
Decrease/(increase) in trade and other debtors	2,148,965	(269,418)
Increase /(decrease) in trade and other creditors	(193,812)	(3,469,766)
Cash generated from operations	<u>5,881,183</u>	<u>2,652,346</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

24 Cash and cash equivalents

	2025	2024
		As restated
Year ended 31 March 2025	£	£
Cash and cash equivalents	<u>37,960,664</u>	<u>24,952,902</u>
	2024	2023
		As restated
Year ended 31 March 2024	£	£
Cash and cash equivalents	<u>24,952,902</u>	<u>22,005,555</u>

25 Analysis of changes in net funds

	At 01.04.2024	Cash flow	At 31.03.2025
	As restated		
Net cash	£	£	£
Cash at bank and in hand	<u>24,952,902</u>	<u>13,007,762</u>	<u>37,960,664</u>

26 Movements in funds

Group

	At 01.04.2024	Net movement in funds	At 31.03.2025
	As restated		
	£	£	£
Unrestricted funds			
General funds	<u>37,784,573</u>	<u>94,077,837</u>	<u>131,862,410</u>
Restricted funds	<u>443,261</u>	<u>(423,990)</u>	<u>19,271</u>
Total funds	<u>38,227,834</u>	<u>93,653,847</u>	<u>131,881,681</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

26 Movements in funds – continued

Net movement in funds included in the above are as follows:

	Income	Expenditure	Transfers	Gains and losses	Movement in funds
	£	£	£	£	£
Unrestricted funds					
General funds	<u>20,870,249</u>	<u>(16,977,947)</u>	<u>-</u>	<u>90,185,535</u>	<u>94,077,837</u>
Restricted funds	<u>-</u>	<u>(423,990)</u>	<u>-</u>	<u>-</u>	<u>(423,990)</u>
Total funds	<u>20,870,249</u>	<u>(17,401,937)</u>	<u>-</u>	<u>90,185,535</u>	<u>93,653,847</u>

General unrestricted funds are available to be utilised in furtherance of the objectives of the charity as determined by the trustees.

Restricted funds held are in respect of furtherance of projects requested by the directors of the group's subsidiary companies and include awards as detailed in the trustees report.

Comparatives for movements in funds

Group	At 01.04.2023	Prior year adjustment	Restated balance at 01.04.2023	Net movement in funds	At 31.03.2024
	£	£	£	£	£
Unrestricted funds					
General funds	<u>31,049,642</u>	<u>(616,564)</u>	<u>30,433,078</u>	<u>7,351,495</u>	<u>37,784,573</u>
Restricted funds	<u>632,082</u>	<u>-</u>	<u>632,082</u>	<u>(188,821)</u>	<u>443,261</u>
Total funds	<u>31,681,724</u>	<u>(616,564)</u>	<u>31,065,160</u>	<u>7,162,674</u>	<u>38,227,834</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

26 Movements in funds – continued

Net movement in funds included in the above are as follows:

	Income	Expenditure	Transfers	Gains and losses	Movement in funds
	£	£	£	£	£
Unrestricted funds					
General funds	<u>19,573,189</u>	<u>(12,965,401)</u>	<u>45,166</u>	<u>698,541</u>	<u>7,351,495</u>
Restricted funds	<u>-</u>	<u>(143,655)</u>	<u>(45,166)</u>	<u>-</u>	<u>(188,821)</u>
Total funds	<u>19,573,189</u>	<u>(13,109,056)</u>	<u>-</u>	<u>698,541</u>	<u>7,162,674</u>

Company

	At 01.04.2024 £	Net movement in funds £	At 31.03.2025 £
Unrestricted funds			
General funds	<u>1,247,646</u>	<u>88,940,643</u>	<u>90,188,289</u>
Restricted funds	<u>443,261</u>	<u>(423,990)</u>	<u>19,271</u>
Total funds	<u>1,690,907</u>	<u>88,516,653</u>	<u>90,207,560</u>

Net movement in funds included in the above are as follows:

	Income £	Expenditure £	Transfers £	Gains and losses £	Movement in funds £
Unrestricted funds					
General funds	<u>87,544</u>	<u>(1,256,235)</u>	<u>-</u>	<u>90,109,334</u>	<u>88,940,643</u>
Restricted funds	<u>-</u>	<u>(423,990)</u>	<u>-</u>	<u>-</u>	<u>(423,990)</u>
Total funds	<u>87,544</u>	<u>(1,680,225)</u>	<u>-</u>	<u>90,109,334</u>	<u>88,516,653</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2025

26 Movements in funds – continued

Comparatives for movements in funds

	At 01.04.2023 £	Net movement in funds £	At 31.03.2024 £
Unrestricted funds			
General funds	<u>(959,978)</u>	<u>2,207,624</u>	<u>1,247,646</u>
Restricted funds	<u>632,082</u>	<u>(188,821)</u>	<u>443,261</u>
Total funds	<u>(327,896)</u>	<u>2,018,803</u>	<u>1,690,907</u>

Net movement in funds included in the above are as follows:

	Income £	Expenditure £	Transfers £	Gains and losses £	Movement in funds £
Unrestricted funds					
General funds	<u>1,702,081</u>	<u>(769,201)</u>	<u>1,220,685</u>	<u>54,059</u>	<u>2,207,624</u>
Restricted funds	<u>1,175,519</u>	<u>(143,655)</u>	<u>(1,220,685)</u>	<u>-</u>	<u>(188,821)</u>
Total funds	<u>2,877,600</u>	<u>(912,856)</u>	<u>-</u>	<u>54,059</u>	<u>2,018,803</u>

27 Related Party Transactions

During the year, total dividends of £1,147,791 (2024 - £495,788) were paid to the directors of Medicines Evaluation Unit Limited and CRO Solutions Limited.

A Pickering Fellowship award was granted to the Manchester University NHS Foundation Trust in 2024 in respect of funding salary support for Trustee Dr H Badri. The initial grant amounted to £63,000, with an additional amount of £3,891 awarded during the year. A total of £33,543 was paid during the current year.

Professional fees of £nil (2024 - £7,236) were paid to Eversley Resolutions, a business operated by Mr J Alcock, a trustee of the charitable company. There are no amounts outstanding at the balance sheet date.

28 Post Balance Sheet Events

On 13th June 2025, North West Lung Centre disposed of its entire shareholdings in its subsidiary undertakings Medicines Evaluation Unit Limited and CRO Solutions Limited to IQVIA Limited.

Accounts

Company registration number: 03936652 (England & Wales)
Charity registration number: 1090320

**North West Lung Centre
Group Strategic Report,
Report of the Trustees and
Consolidated Financial Statements
For the year ended 31 March 2024**

**North West Lung Centre
Consolidated Financial Statements
For the year ended 31 March 2024**

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**North West Lung Centre
Reference and Administrative details
For the year ended 31 March 2024**

Company registration number	03936652
Charity registration number	1090320
Trustees	Professor J Vestbo Mr J H Alcock Dr A M Jones Professor C S Murray Mr A K Webb Dr H Badri Dr L A Brown
Company secretary	Professor C S Murray
Registered office & principal address	The Langley Building Southmoor Road Wythenshawe Manchester M23 9QZ
Auditors	Warr & Co Limited Chartered Accountants and Statutory Auditors Mynshull House 78 Churchgate Stockport SK1 1YJ
Solicitors	Davis Blank Furniss Units 13-15 Brewery Yard Deva City Office Park Trinity Way Manchester M2 7BD
Bankers	Royal Bank of Scotland Plc 467 Wilmslow Road Withington Manchester M20 4AN
Investment managers	Investec Wealth & Investment Management Ltd 2 nd Floor, 3 Hardman Street Spinningfields Manchester M3 3HF Quilter Cheviot 4 th Floor, Bauhaus 27 Quay Street Manchester M3 3GY

North West Lung Centre Trustees Annual Report For the year ended 31 March 2024

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity and the group for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

Trustees of the charity

The trustees who have served during the year and since the year end were as follows:

Professor J Vestbo
Mr J H Alcock
Dr A M Jones
Professor C S Murray
Mr A K Webb
Dr H Badri
Dr L A Brown (Appointed 18/07/2023)

Objectives and activities

The objects of the charity are:

- To promote research into the causes and treatment of human diseases and disseminate the same to the public.
- To engage in research and development of respiratory medicines and general medicines for use in connection with the treatment referred to above.
- To promote the health and wellbeing of patients with respiratory or related diseases.

Through its close involvement with Manchester University NHS Foundation Trust (Wythenshawe) and in particular the North West Lung Research Centre, the Charity seeks to promote and assist in funding research into lung disease in the North West of England. It seeks to do this by identifying worthwhile and relevant research projects and supporting these financially using funds donated directly as well as those donated by its subsidiary companies.

Public benefit statement

The trustees have considered the Charity Commission guidance on public benefit and consider that the objectives and activities of the charity provide a public benefit in that they contribute to the advancement of public health with a specific focus on the North West of England.

Strategic Report

Achievements and performance

The Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), has had another excellent year and the activities continue to grow. The company's turnover for the year ended 31st March 2024 was £18,166,529 and it has been in a position to donate £2,375,519 to the Charity. The company operates a thirty-six bed facility following the completion of its £1.2 million extension 10 years ago and plans are in place to expand the facility further within the upcoming year.

The Charity continues to provide infrastructure support for respiratory research at the North West Lung Research Centre, Manchester University NHS Foundation Trust, the University of Manchester, and from 2017 also the Respiratory Team of the NIHR Manchester Biomedical Centre, as well as support for projects and posts. Not least the latter has enabled several of the current University faculty to start and/or accelerate their research and has therefore often led to attraction of further substantial funding. With the growing revenue of the Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), there are ongoing discussions on larger strategic research investments (people or equipment) as part of the Charity's future strategy.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2024**

**Strategic Report
Achievements and performance- continued**

The funding awarded this year supports:

1. Wythenshawe hospital leads the way in early lung cancer lung cancer screening and diagnosis, and the charity were asked to contribute to the cost of new robotic bronchoscopy equipment. Ion, a Robotically Assisted Bronchoscopic Platform is a robotically assisted minimally invasive biopsy platform that supports the planning and navigation to a peripheral lung nodule or lymph node with real time confirmation of tool-in-lesion accuracy using integrated 3D imaging. It allows the operator to perform biopsies, with near 100% lesion localisation, and 87-92% sensitivity. US data suggests a 600-fold increase in diagnostic rates but it is difficult to be clear on the transferable value of such data to the UK system.

The charity agreed to fund 50% of the initial cost of the equipment and donated £348,000 allowing Wythenshawe to become one of the first hospitals in Europe to start using the Ion Robotic Bronchoscopy Unit.

Dr Haval Balata (Respiratory Physician) said "Having this new innovative technology available for our patients to access is game changing. As we have continued to successfully expand our Lung Health Check programme, we are diagnosing lung cancers at a much earlier stage when the lesions are very small and difficult to biopsy".

The equipment is expected to be up and running in September 2024.

2. Pickering Fellowships – The Charity has over the years part funded senior posts for clinical academics as a bridge to securing an external fellowship. The Charity is currently supporting three such posts. One post has been taken up by a researcher studying neuronal mechanisms underlying occupational asthma; this fellowship is also the first to link research ongoing at both Wythenshawe Hospital and North Manchester Hospital. This post was due to end 31/3/24. The post holder had applied for a NIHR/Colt Foundation advanced fellowship which if successful would start October 2024. The application was centred around improving current diagnostic methodology for occupational asthma and understanding of the pathophysiology of irritant (namely cleaning products) induced asthma. They had also applied for an NIHR pre award, which would provide salary support until October 2024, when the new award may start. The charity agreed to provide extra bridging funding to the fellow in the event that the pre-award was not successful. The fellow did however succeed in getting their funding and the charity award was not required.

Another studies proteomics in CF and non-CF bronchiectasis, a frequent area of respiratory medicine that has previously been neglected but which we see as a need and an area we want to expand in Manchester. This fellowship will run until June 2024. The fellow applied for a CF Trust development award to investigate the persistence of inflammation in CF lungs following the use of triple modulator therapy. The charity agreed that if the fellow were successful, they would fund a smaller laboratory-based project alongside this clinical project to allow them to train in molecular biological techniques as well as to use relevant cell systems and murine tissue. This would provide the necessary experience for the fellow to pull together an MRC and/or Wellcome fellowship application in the future.

A third Pickering fellow is carrying out research in interstitial lung diseases and will be funded until April 2025.

The charity is also funding Sean Knight, a research fellow investigating immunological mechanisms of lung cancer for 12 months until the end of July 2024. It is anticipated they may apply for a Pickering fellowship in the future.

The Charity is very proud of the fellowships. We believe they are an important way of growing new respiratory academics and previous Pickering fellows have all gone on to do well in respiratory research, securing significant external funding and clinical academic posts within the NHS and University.

The charity have agreed to advertise these fellowships again in the second half of 2024.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2024**

**Strategic Report
Achievements and performance- continued**

3. The charity agreed to support Ms Jemma Haines to complete her PhD part time (£98,664.80 will be available from 1/7/23 until 30/04/2025). Her PhD research project, 'Evaluation and Treatment of Inducible Laryngeal Obstruction, (ILO)' will be the first to provide prospective, systematic data relating to ILO, investigating: 1) inhalational challenge as a novel tool for assessment of ILO; 2) development of a standardised intervention; and 3) bringing these components together in a feasibility study that will inform a future randomised controlled trial.
4. The charity agreed to fund 3 COPD research projects led by Prof Singh and Dr Simon Lea.
 - a. Investigating the stability of type 2 inflammation in COPD - £197,727
 - b. Mechanisms of persistent bacterial infection in COPD-Extension £150,968.34
 - c. Endothelial dysfunction in COPD: evidence, mechanisms and therapeutics", £238,335
5. The charity agreed to fund a PPIE project "lets talk about cough" £14,975 that had been mostly funded by a Wellcome grant Prof Jacky Smith holds. This additional funding would allow further presentation of the audio experience created "One in Ten", development of the Let's Talk About Cough website, and creation of a printed collection of stories and anecdotes about the impact of chronic cough to accompany the audio experience and further high-quality PR, media and social media engagement.
6. The Charity funded a 3-year clinical fellow post for the Cystic Fibrosis Innovation Hub (PULSE-CF clinical fellow) in "Precision in Understanding and Preventing Exacerbations in CF" (£282,602). This was to support an application by Professor Alex Horsley.

This would pay for all salary and University registration fees for a higher degree. This was conditional on the success of the application to the PULSE-CF Innovation Hub. The charity recognised the ambition of the Hub and were impressed with the detailed plans for the clinical studies that the clinical fellow would support. There is ample work within the proposal to support a PhD thesis, and the outputs are likely to have important clinical relevance for the prevention and treatment of CF exacerbations. The charity also recognised that these findings would have broader implications for the prevention of exacerbations in other respiratory conditions, and therefore the potential to impact more widely on much larger numbers of respiratory patients.

The board were pleased to hear that the application for the Hub was successful, and a fellow would be appointed in due course.
7. An application by Lynn Elsey, clinical consultant pharmacist, Improving Adherence in Asthma (IAA) through the use of digital inhalers and mobile health technology (£31,632.26) was funded in full. The board recognised the unique skills of the applicant and the importance of supporting allied health professionals in research. The board also recognised the application of the project across a number of respiratory diseases in the future.
8. The Charity agreed to continue to fund the Respiratory research/BRC clinical trials manager – Paula Wasiolek, until November 2025. The charity has already been contributing 40% of their salary, but this was due to end at the end of March 24. The Charity recognise the value of the post in helping all respiratory researchers locally to establish their clinical studies. (approx. £38K total).

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2024**

**Strategic Report
Achievements and performance- continued**

9. The Charity funded a number of travel fellowships to allow young investigators to present their research at national and international conferences. It funded 14 travel fellowships to the European respiratory society in Milan in September 2023 (£750 each), 7 fellowships to the British Thoracic Society annual conference in London in November 2023 (£750 each), one to attend an oncology radiation conference in Glasgow, and one to attend a sleep conference. The charity also supported 2 respiratory paediatric nurses to attend a national paediatric respiratory conference in London.

Financial review

The group accounts reflect a net increase in funds during the year of £6,431,099 (2023 - £2,786,832). At the year end, the group's reserves totalled £36,758,162 (2023 - £30,327,064).

There were unrealised profits on the Charity's investment portfolio of £33,203 (2023 - loss £85,091) and realised profits of £20,856 (2023 - £35,608) on investment disposals. The net profit on the Charity's investment portfolio amounted to £54,059 (2023 - loss £49,483). Investment income at £23,144 compares with £16,642 received in the previous accounting year.

Reserves policy

It is the trustees' policy to maintain sufficient reserves to enable the Charity to continue to support studies of lung disease at the Manchester Foundation Trust – Wythenshawe Hospital Site. In particular, the funding of technicians salaries underpinning the major 10-15 year study of prospective longitudinal epidemiological studies into the development of lung disease. In addition, the trustees seek to maintain unrestricted reserves at a level that will enable them to contribute to other related studies whenever possible.

Investment powers and policy

Under the Articles of Association the trustees have the power to make any investments on behalf of the Charity that they see fit. In considering investment decisions the trustees make due consideration of social, environmental and ethical matters.

Future plans

Following the COVID-19 pandemic, the Charity has seen an increase in research and has needed to respond to requests for both non-costed and costed extensions of research already funded by the Charity.

The trustees are currently involved in ongoing discussions regarding competitive bids for applications to fund research projects divided between "early career investigators" and "standard applications".

We anticipate that future Pickering Fellowships will be available for application in 2024-25 as two of the current Pickering fellowships will come to an end.

Small travel grants will be made available in 2024-25 for early career researcher to apply to attend National and International conferences to present their work.

**Structure, governance and management
Governing Document**

North West Lung Centre is a charitable company limited by guarantee, incorporated on 29 February 2000 and registered as a charity on 30 January 2002. The governing document is the company's Memorandum and Articles of Association.

Recruitment and appointment of Trustees

New trustees are appointed following recommendation from the existing trustees. Under the requirements of the Memorandum and Articles of Association, one third of the trustees shall retire by rotation at each Annual General Meeting. If the resulting vacancies are not filled then the retiring trustees are, providing they are willing to act, deemed to be reappointed unless the meeting resolves not to fill the vacancies.

North West Lung Centre Trustees Annual Report For the year ended 31 March 2024

Trustee induction and training

All existing trustees are familiar with the work of the charity, new trustees are assisted and encouraged to make themselves aware of the operation of the Charity and the context within which it operates. In particular:

- The obligations of trustees and directors.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems of procedures have been established to mitigate the risks the charity face.

Organisation

The trustees are responsible for the strategic direction and policy of the charity, and the management of the day-to-day activities of the charity. Trustees make any decisions relating to the Charity. The Articles dictate that there shall be a minimum of three trustees but there is no prescribed maximum. All services provided by the trustees are on a voluntary basis.

The liabilities of the members is limited. In winding up each member shall be required to contribute an amount not exceeding £10. Application for membership of the Charity must be approved by the trustees and the number of members shall not be less than two.

Related Parties

The Charity owns 84.92% of the share capital of Medicines Evaluation Unit Limited and 69.87% of the share capital of CRO Solutions Limited. Medicines Evaluation Unit Limited is a company principally engaged in evaluating medicines for the pharmaceuticals industry. CRO Solutions Limited is a clinical research organisation.

Statement of trustees' responsibilities

The trustees (who are also the directors of North West Lung Centre for the purposes of company law) are responsible for preparing the Report of the trustees, including the group strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial period which show a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2024**

Disclosure of information to the auditors

We, the trustees of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Warr & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 20th December 2024.

A handwritten signature in dark ink, appearing to read 'C Murray', on a light-colored background.

Prof. C Murray
Trustee and Board Secretary

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2024

Opinion

We have audited the financial statements of North West Lung Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company affairs as at 31 March 2024 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, the trustees, who are also directors of the parent charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 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.

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:

We worked closely with the trustees and senior management to identify the relevant laws and regulations and compliance therewith. Our procedures and sampling were designed to identify irregularities and remove the risk of material misstatements.

As part of an audit in accordance with ISA's (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent charitable company's internal control. Accordingly, no such opinion is expressed.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2024

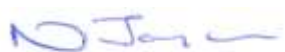
Auditors' responsibilities for the audit of the financial statements - continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the group's and the parent charitable company's ability to continue as a going concern for a reasonable period of time.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control related matters that we identified during the audit.

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 auditors.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Joyce ACA, FCCA (Statutory Senior Auditor)
for and on behalf of Warr & Co Limited
Chartered Accountants & Statutory Auditors
Mynshull House
78 Churchgate
Stockport
SK1 1YJ

Dated 23rd December 2024

North West Lung Centre
Consolidated Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2024

	<i>Note</i>	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
INCOME					
Donations and legacies	4	410,685	-	410,685	61,680
Other trading activities:					
Trading income	5	18,685,723	-	18,685,723	18,686,389
Other income	5	27,134	-	27,134	-
Income from investments	6	449,647	-	449,647	225,589
TOTAL INCOME		19,573,189	-	19,573,189	18,973,658
EXPENDITURE					
Expenditure on raising funds:					
Trading expenses		12,067,647	-	12,067,647	12,971,547
Investment management fees		11,469	-	11,469	11,730
Expenditure on charitable activities:					
Promotion of research	7	734,993	143,655	878,648	2,082,049
Governance costs	7	22,739	-	22,739	21,288
TOTAL RESOURCES EXPENDED		12,836,848	143,655	12,980,503	15,086,614
Net incoming resources before gains/(losses) on investments		6,736,341	(143,655)	6,592,686	3,887,044
Transfer between funds		45,166	(45,166)	-	-
Net gains/(losses) on investments		698,541	-	698,541	(454,256)
Net income before taxation		7,480,048	(188,821)	7,291,227	3,432,788
Taxation	11	482,873	-	482,873	342,263
Net movement in funds		7,962,921	(188,821)	7,774,100	3,775,051
Net movement in funds for the year is attributable to:					
- Parent charity		6,619,920	(188,821)	6,431,099	2,786,832
- Non-controlling interests		1,343,001	-	1,343,001	988,219
		7,962,921	(188,821)	7,774,100	3,775,051

North West Lung Centre
Consolidated Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2024

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
RECONCILIATION OF FUNDS				
Total funds brought forward at 1 April 2023	31,049,644	632,082	31,681,726	28,294,186
Net movement in funds for the year is attributable to:				
- Parent charity	6,619,920	(188,821)	6,431,099	2,786,832
- Non-controlling interests	1,343,001	-	1,343,001	988,219
- Dividends paid to non-controlling interests in subsidiary undertakings	(611,426)	-	(611,426)	(387,511)
Total funds carried forward at 31 March 2024	<u>38,401,139</u>	<u>443,261</u>	<u>38,844,400</u>	<u>31,681,726</u>

All income and expenditure derives from continuing activities.

The consolidated statement of financial activities includes all gains and losses recognised during the year.

**North West Lung Centre
Consolidated Balance Sheet
For the year ended 31 March 2024**

	<i>Note</i>	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fixed assets					
Tangible assets	15	4,312,624	-	4,312,624	4,547,244
Investments	16	7,826,681	-	7,826,681	6,925,895
		<u>12,139,305</u>	<u>-</u>	<u>12,139,305</u>	<u>11,473,139</u>
Current assets					
Debtors	17	8,911,626	-	8,911,626	8,251,658
Cash at bank and in hand		<u>23,246,753</u>	<u>1,706,149</u>	<u>24,952,902</u>	<u>22,005,555</u>
		<u>32,158,379</u>	<u>1,706,149</u>	<u>33,864,528</u>	<u>30,257,213</u>
Creditors					
Amounts falling due within one year	18	5,074,153	640,779	5,714,932	7,981,455
		<u>27,084,226</u>	<u>1,065,370</u>	<u>28,149,596</u>	<u>22,275,758</u>
Net current assets					
		<u>39,223,531</u>	<u>1,065,370</u>	<u>40,288,901</u>	<u>33,748,897</u>
Total assets less current liabilities					
		<u>39,223,531</u>	<u>1,065,370</u>	<u>40,288,901</u>	<u>33,748,897</u>
Creditors					
Amounts falling due after more than one year	19	509,493	622,109	1,131,602	1,732,053
Provisions for liabilities	20	48,221	-	48,221	70,439
Total assets		<u>38,665,817</u>	<u>443,261</u>	<u>39,109,078</u>	<u>31,946,405</u>
Funds attributable to:					
- Parent charity		36,314,901	443,261	36,758,162	30,327,064
- Non-controlling interests		<u>2,350,916</u>	<u>-</u>	<u>2,350,916</u>	<u>1,619,341</u>
		<u>38,665,817</u>	<u>443,261</u>	<u>39,109,078</u>	<u>31,946,405</u>

The financial statements were approved and authorised for issue by the Board on 20th December 2024.
Signed on behalf of the board of trustees by:



Prof. C Murray
Trustee



Dr A M Jones
Trustee

Company registration number 03936652

**North West Lung Centre
Company Balance Sheet
For the year ended 31 March 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fixed assets					
Investments	16	902,951	-	902,951	837,444
		<u>902,951</u>	<u>-</u>	<u>902,951</u>	<u>837,444</u>
Current assets					
Debtors	17	-	-	-	-
Cash at bank and in hand		2,695,142	1,706,149	4,401,291	2,974,001
		<u>2,695,142</u>	<u>1,706,149</u>	<u>4,401,291</u>	<u>2,974,001</u>
Creditors					
Amounts falling due within one year	18	1,840,954	640,779	2,481,733	2,407,288
		<u>854,188</u>	<u>1,065,370</u>	<u>1,919,558</u>	<u>566,713</u>
Net current assets					
		<u>1,757,139</u>	<u>1,065,370</u>	<u>2,822,509</u>	<u>1,404,157</u>
Total assets less current liabilities					
		<u>1,757,139</u>	<u>1,065,370</u>	<u>2,822,509</u>	<u>1,404,157</u>
Creditors					
Amounts falling due after more than one year	19	509,493	622,109	1,131,602	1,732,053
		<u>1,247,646</u>	<u>443,261</u>	<u>1,690,907</u>	<u>(327,896)</u>
Total assets					
		<u>1,247,646</u>	<u>443,261</u>	<u>1,690,907</u>	<u>(327,896)</u>
Funds					
Unrestricted funds				1,247,646	(959,978)
Restricted funds				443,261	632,082
				<u>1,690,907</u>	<u>(327,896)</u>

The financial statements were approved and authorised for issue by the Board on 20th December 2024.
Signed on behalf of the board of trustees:



Prof. C Murray
Trustee



Dr A M Jones
Trustee

Company registration number 03936652

North West Lung Centre
Consolidated Statement of Changes in Equity
For the year ended 31 March 2024

	Unrestricted funds	Restricted funds	Share capital	Share premium	Total fund balances
	£	£	£	£	£
At 1 April 2022	27,587,101	707,082	504	14,697	28,309,384
Changes in equity					
Net movement in funds	3,850,052	(75,000)	-	-	3,775,052
New shares issued	-	-	-	249,480	249,480
Dividends paid to Non-controlling interests	(387,511)	-	-	-	(387,511)
At 31 March 2023	<u>31,049,642</u>	<u>632,082</u>	<u>504</u>	<u>264,177</u>	<u>31,946,405</u>
Changes in equity					
Net movement in funds	7,962,921	(188,821)	-	-	7,774,100
Share premium and unpaid share capital recognised	-	-	-	-	-
Dividends paid to Non-controlling interests	(611,426)	-	-	-	(611,426)
At 31 March 2024	<u>38,401,137</u>	<u>443,261</u>	<u>504</u>	<u>264,177</u>	<u>39,109,079</u>

	Total controlling interest	Non- controlling interest	Total fund balances
	£	£	£
At 1 April 2022	27,540,231	769,153	28,309,384
Changes in equity			
Net movement in funds	2,786,833	988,219	3,775,052
New shares issued	-	249,480	249,480
Dividends paid to Non-controlling interests	-	(387,511)	(387,511)
At 31 March 2023	<u>30,327,064</u>	<u>1,619,341</u>	<u>31,946,405</u>
Changes in equity			
Net movement in funds	6,431,099	1,343,001	7,774,100
New shares issued	-	-	-
Dividends paid to Non-controlling interests	-	(611,426)	(611,426)
At 31 March 2024	<u>36,758,163</u>	<u>2,350,916</u>	<u>39,109,079</u>

North West Lung Centre
Consolidated Cash Flow Statement
For the year ended 31 March 2024

		2024	2023
		£	£
	<i>Note</i>		
Cash flows from operating activities			
Cash generated from operations	22	2,652,346	6,045,338
Interest paid		(165)	-
Tax paid		580,522	-
Net cash from operating activities		3,232,703	6,045,338
Cash flows from investing activities			
Purchase of tangible fixed assets		(13,708)	(589,366)
Purchase of fixed asset investments		(1,832,453)	(2,320,338)
Sale of fixed asset investments		1,630,208	2,080,511
Interest received		312,753	85,233
Dividends received		136,894	140,356
Net cash from investing activities		233,694	(603,604)
Cash flows from financing activities			
Amount withdrawn by directors		92,376	(92,376)
Share issued to non-controlling interests		-	(110,916)
Share premium recognised from non-controlling interests		-	138,564
Dividends paid to non-controlling interests		(611,426)	(387,511)
Net cash from financing activities		(519,050)	(452,239)
Increase/(decrease) in cash and cash equivalents		2,947,347	4,989,495
Cash and cash equivalents at beginning of year	23	22,005,555	17,016,060
Cash and cash equivalents at end of year	23	24,952,902	22,005,555

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

1 Statutory Information

North West Lung Centre is a private charitable company, limited by guarantee and registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page one of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report.

2 Accounting policies

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the recommendations of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS 102) (effective 1 January 2019) and UK Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis under the historical cost convention modified to the extent that listed investments are included at fair value.

The financial statements are presented in sterling, which is the functional currency of the company. All amounts stated are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

The group financial statements consolidate the financial statements of the charitable company and its subsidiaries, Medicines Evaluation Unit Limited and CRO Solutions Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and as permitted by FRS 102.

The surplus of the parent charity for the year to 31 March 2024 was £2,018,803 (2023 - deficit £925,670).

All financial statements are made up to 31 March 2024. All inter-company transactions and balances between group companies are eliminated on consolidation.

Medicines Evaluation Unit Limited and CRO Solutions Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group financial statements and statement of cash flows include the results and cash flows of both companies. The non-controlling interest of each company has been separately disclosed.

Going concern

The trustees when undertaking their assessment of the group's financial position, expect that continued positive cash flows will be generated by the subsidiary undertakings and are confident that there is a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Thus, the group company has prepared the financial statements on a going concern basis.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Any capital gains or losses arising on the investments form part of the unrestricted fund. Investment management charges and legal advice relating to the investments are charged against the unrestricted fund.

Restricted funds represent funds received from Medicines Evaluation Unit Limited which are intended to fund specific research projects as requested by the directors.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

2 Accounting policies - continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. The costs of each activity are made up of the total of direct costs and a share of other costs including support costs involved in undertaking each activity. Costs are categorised under the following headings:

- Costs of raising funds include costs incurred in attracting voluntary income, managing the charity's investment portfolio and those costs incurred in trading activities that raise funds.
- Expenditure on charitable activities comprises expenditure associated with the funding of research into lung disease and other activities of the Charity as detailed in the Trustees report; and
- Other expenditure represents those items not falling into the categories above and generally relates to Governance costs which include those costs primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short leasehold land and buildings	Over the term of the lease
Medical and office equipment	25% on cost
Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	33% on cost

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

2 Accounting policies – continued

Investments

Fixed asset Investments are recognised initially at transaction price excluding transaction costs. Subsequently, they are measured at fair value at each reporting date with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

For the purposes of the Charity's balance sheet, the investments in Medicines Evaluation Unit Limited and CRO Solutions Limited are shown at the cost to the charity, which is the share capital of the company.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks, and other short term liquid investments.

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the group and company balance sheets when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

2 Accounting policies – continued

Taxation

Taxation for the year comprises current and deferred tax in respect of the group companies. Tax is recognised in the Consolidated Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The parent company meets the definition of a charitable company and is potentially exempt from taxation in respect of its income and capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover from trading activities

Turnover is recognised at the fair value of the consideration received or receivable for services provided in connection with the operation of clinical trials and related services.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the normal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged as an expense on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group's subsidiary undertakings contribute to a defined contribution pension scheme. Contributions payable are charged as an expense in the period to which they relate.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

2 Accounting policies – continued

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Costs relating to any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees and directors are required to make judgements, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Management have used their expectation of the estimated useful lives of each category of assets in order to ensure the appropriate provision is made for depreciation. Details of the estimated useful lives are noted in the accounting policies and the depreciation provision is stated in note 15.

Amounts recoverable under contracts are measured by management who by reference to individual contracts assess the stage of completion by determining the proportion of work completed and costs incurred to ensure that revenue is recognised in the correct accounting period.

4 Income from donations and legacies

	2024	2023
	£	£
General donations	<u>410,685</u>	<u>61,680</u>

5 Income from other trading activities

	2024	2023
	£	£
Trading activities		
Turnover - clinical trials	18,685,723	18,686,389
Other income	<u>27,134</u>	<u>-</u>
	<u>18,712,857</u>	<u>18,686,389</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

6 Income from investments

	2024	2023
	£	£
Bank interest	312,753	85,234
Income from listed investments	136,894	140,355
	<u>449,647</u>	<u>225,589</u>

7 Expenditure on charitable activities

	2024	2023
	£	£
Promotion of research		
Research grants to institutions	850,766	2,052,618
Grants to individuals	22,291	11,725
Travel costs	-	7,555
Donations	5,591	10,151
	<u>878,648</u>	<u>2,082,049</u>

	2024	2023
	£	£
Governance costs		
Legal and professional fees	7,452	5,000
Auditors remuneration	14,180	10,900
Sundries	660	5,074
Bank charges	447	314
	<u>22,739</u>	<u>21,288</u>

8 Analysis of grants

The majority of grants are made to institutions, with a small number made to individuals, in furtherance of the charitable objectives as detailed in the Trustees Report. Grants awarded to institutions by the company during the year were to the Manchester University NHS Foundation Trust and The University of Manchester. The total cost of grants awarded includes support costs and is disclosed on the face of the SoFA as Promotion of Research, a breakdown of the costs is included in note 7 to the accounts. Where awards have been granted and not claimed within the award period, any remaining funds are credited back to the company following expiry of the award period and deducted from the value of new awards during the year as detailed in note 9.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

8 Analysis of grants - continued

The following institutions received grant support from the charity during the year:

	2024	2023
	£	£
Manchester University NHS Foundation Trust	674,591	721,940
The University of Manchester	176,175	1,358,077
The University Hospital of South Manchester	-	(5,208)
Pennine Acute Hospital NHS Trust	-	(22,191)
	850,766	2,052,618

The nature of the projects supported during the year from grants to institutions are as follows:

	2024	2023
	£	£
Research projects	278,353	916,241
Salary awards	103,770	785,980
Fellowship awards	123,000	(22,191)
Purchase of equipment and consumables	345,643	372,588
	850,766	2,052,618

The nature of the activities supported during the year from grants to individuals are as follows:

	2024	2023
	£	£
Travel and conference costs	22,291	11,725

9 Movements in funding commitments

The Charity awards a number of grants, some are awarded and paid out in the same financial year. However, some grants especially those relating to research or funding specific posts are multi-year grants paid over a longer period.

The movement in funding commitments during the year is as follows:

	Current liabilities	Non-current liabilities	Total
	£	£	£
Opening balance at 1 April 2023	2,383,725	1,732,053	4,115,778
New funding awards approved during the year	999,404	138,386	1,137,790
Unused amounts reversed during the year	(257,420)	(7,313)	(264,733)
Movement from non-current to current	731,525	(731,525)	-
Amounts paid during the year	(1,389,453)	-	(1,389,453)
Closing balance at 31 March 2024	2,467,781	1,131,601	3,599,382

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

10 Auditors remuneration

	2024	2023
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>8,780</u>	<u>6,000</u>
Fees payable to the Charity's auditor in respect of non-audit services not included in the above	<u>5,400</u>	<u>4,900</u>

11 Taxation

	2024	2023
	£	£
Current tax:		
UK corporation tax	(460,655)	(371,223)
Deferred tax	<u>(22,218)</u>	<u>28,960</u>
Tax on net income	<u>(482,873)</u>	<u>(342,263)</u>
UK Corporation tax has been charged at 25% (2023 - 19%)		

Reconciliation of tax credit included in the Consolidated Statement of Financial Activities

	2024	2023
	£	£
Net income before taxation	5,246,429	4,408,458
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	1,311,607	837,607
Effects of:		
Expenses not deductible for tax purposes	-	63,934
Income not taxable for tax purposes	(164,448)	-
Depreciation in excess of capital allowances	32,600	2,378
Adjustments to tax charge in respect of previous periods	(79,165)	-
Capital allowances in excess of depreciation	-	(551)
Research and development tax claim	(1,561,249)	(1,277,339)
Deferred tax adjustment	(22,218)	28,960
Other tax adjustment	-	2,748
Total tax credit	<u>(482,873)</u>	<u>(342,263)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

12 Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Operating lease rentals	83,051	51,314
Depreciation - owned assets	248,328	245,222
(Profit) /loss on disposal of fixed assets	(100,064)	83,881

13 Trustees remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2023 - £Nil).

Travel expenses amounting to £nil (2023 - £6,118) were reimbursed to one of the trustees during the year and conference expenses amounting to £456 (2023 - £522) were reimbursed to one of the trustees during the year.

14 Staff costs and employee benefits

The average number of employees during the year was as follows:

	2024	2023
Admin	61	83
Clinical	101	79
	162	162

The total staff costs and employee benefits were as follows:

	2024	2023
	£	£
Wages and salaries	6,700,399	6,397,750
Social security	680,137	701,382
Other pension costs	280,428	234,103
	7,660,964	7,333,235

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

14 Staff costs and employee benefits - continued

The number of group employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2024	2023
£60,001 - £70,000	2	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-
£210,001 - £220,000	1	1
£230,001 - £240,000	1	-

The key management personnel of the group comprise the directors of the subsidiary undertakings Medicines Evaluation Unit Limited and CRO Solutions Limited whose employee benefits totalled £483,116 (2023: £387,070).

15 Tangible fixed assets

Group	Short Leasehold	Plant and Machinery	Fixtures and fittings	Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	5,911,938	944,065	558,746	6,959	247,288	7,668,996
Additions	-	-	13,708	-	-	13,708
At 31 March 2024	5,911,938	944,065	572,454	6,959	247,288	7,682,704
Depreciation						
At 1 April 2023	1,671,372	765,324	430,809	6,959	247,288	3,121,752
Charge for the year	141,317	67,049	39,962	-	-	248,328
At 31 March 2024	1,812,689	832,373	470,771	6,959	247,288	3,370,080
Net book value						
At 31 March 2024	4,099,249	111,692	101,683	-	-	4,312,624
At 31 March 2023	4,240,566	178,741	127,937	-	-	4,547,244

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

16 Fixed asset investments

Group	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 April 2023	6,925,894	1	6,925,895
Additions	1,832,453	-	1,832,453
Disposals	(1,509,288)	-	(1,509,288)
Movement in valuation	577,621	-	577,621
At 31 March 2024	7,826,680	1	7,826,681
Market value			
At 31 March 2024	7,826,680	1	7,826,681
At 31 March 2023	6,925,894	1	6,925,895

Company	Shares in group undertakings	Listed investments	Total
	£	£	£
Cost or valuation			
At 1 April 2023	1,656	835,788	837,444
Additions	-	180,648	180,648
Disposals	-	(148,344)	(148,344)
Movement in valuation	-	33,203	33,203
At 31 March 2024	1,656	901,295	902,951
Market value			
At 31 March 2024	1,656	901,295	902,951
Market value			
At 31 March 2023	1,656	835,788	837,444

Subsidiary undertakings

The following were subsidiary undertakings of the charity at 31 March 2024.

Name	Registered Office Address	Class of share	Holding
Medicines Evaluation Unit Limited (Company number 0379957)	The Langley Building, Southmoor Road, Wythenshawe, Manchester M23 9QZ	Ordinary 'A'	84.92%
CRO Solutions Limited (Company number 09157193)	2C South Stage Michigan Avenue, Salford, M50 2GY	Ordinary 'A'	69.87%

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

17 Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	4,444,862	2,879,967	-	-
Amounts recoverable on contracts	2,523,572	3,225,955	-	-
Other debtors	101,378	287,950	-	-
Directors' current accounts	-	92,376	-	-
Tax	1,138,821	1,258,688	-	-
Called up share capital not paid	110,916	110,916	-	-
Prepayments and accrued income	592,077	395,806	-	-
	<u>8,911,626</u>	<u>8,251,658</u>	<u>-</u>	<u>-</u>

18 Creditors – Amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	36,551	47,285	-	-
Social security and other taxes	195,447	47,783	-	-
Other creditors	2,464,639	2,383,725	2,464,639	2,383,725
Accruals and deferred income	3,018,295	5,502,662	17,094	23,563
	<u>5,714,932</u>	<u>7,981,455</u>	<u>2,481,733</u>	<u>2,407,288</u>

19 Creditors – Amounts falling due after more than one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Other creditors	<u>1,131,602</u>	<u>1,732,053</u>	<u>1,131,602</u>	<u>1,732,053</u>

There were no liabilities falling due after more than five years.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

20 Provisions for liabilities and charges

	2024	2023
	£	£
Deferred tax		
Accelerated capital allowances	48,221	70,439
		Deferred
		Tax
		£
Group		
Balance as at 1 April 2023		70,439
Transfer to Statement of Financial Activities		(22,218)
Balance as at 31 March 2024		48,221

21 Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Not later than one year	154,716	108,985
Later than one year and not later than five years	437,515	245,535
In more than five years	2,118,462	285,973
	2,710,693	640,493

22 Reconciliation of cash generated from operations

	2024	2023
	£	£
Net incoming resources before taxation	7,291,226	3,432,788
Depreciation charges	248,327	245,222
(Profit)/loss on disposal of fixed assets	(120,920)	32,743
(Gain)/loss on valuation of investments	(577,621)	421,513
Finance costs	165	-
Finance income	(449,647)	(225,589)
	6,391,530	3,906,677
Decrease/(increase) in trade and other debtors	(269,418)	148,169
Increase /(decrease) in trade and other creditors	(3,469,766)	1,990,492
Cash generated from operations	2,652,346	6,045,338

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

23 Cash and cash equivalents

	2024	2023
	£	£
Year ended 31 March 2024		
Cash and cash equivalents	<u>24,952,902</u>	<u>22,005,555</u>
Year ended 31 March 2023	2023	2022
	£	£
Cash and cash equivalents	<u>22,005,555</u>	<u>17,016,060</u>

24 Analysis of changes in net funds

	At 01.04.2023	Cash flow	At 31.03.2024
	£	£	£
Net cash			
Cash at bank and in hand	<u>22,005,555</u>	<u>2,947,347</u>	<u>24,952,902</u>

25 Movements in funds

Group

	At 01.04.2023	Net movement in funds	At 31.03.2024
	£	£	£
Unrestricted funds			
General funds	<u>31,049,644</u>	<u>7,351,495</u>	<u>38,401,139</u>
Restricted funds	<u>632,082</u>	<u>(188,821)</u>	<u>443,261</u>
Total funds	<u>31,681,726</u>	<u>7,162,674</u>	<u>38,844,400</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

25 Movements in funds – continued

Net movement in funds included in the above are as follows:

	Income	Expenditure	Transfers	Gains and losses	Movement in funds
	£	£	£	£	£
Unrestricted funds					
General funds	<u>19,573,189</u>	<u>(12,965,401)</u>	<u>45,166</u>	<u>698,541</u>	<u>7,351,495</u>
Restricted funds	<u>-</u>	<u>(143,655)</u>	<u>(45,166)</u>	<u>-</u>	<u>(188,821)</u>
Total funds	<u>19,573,189</u>	<u>(13,109,056)</u>	<u>-</u>	<u>698,541</u>	<u>7,162,674</u>

General unrestricted funds are available to be utilised in furtherance of the objectives of the charity as determined by the trustees.

Restricted funds held are in respect of furtherance of projects requested by the directors of the group's subsidiary companies and include awards as detailed in the trustees report.

Transfers between restricted and unrestricted funds have arisen as a result of future funding commitments being made in advance of restrictions being placed on incoming resources from donors and as part of the consolidation adjustments.

Comparatives for movements in funds

Group

	At 01.04.2022	Net movement in funds	At 31.03.2023
	£	£	£
Unrestricted funds			
General funds	<u>27,587,103</u>	<u>3,462,541</u>	<u>31,049,644</u>
Restricted funds	<u>707,082</u>	<u>(75,000)</u>	<u>632,082</u>
Total funds	<u>28,294,185</u>	<u>3,387,541</u>	<u>31,681,726</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

25 Movements in funds – continued

Net movement in funds included in the above are as follows:

	Income	Expenditure	Transfers	Gains and losses	Movement in funds
	£	£	£	£	£
Unrestricted funds					
General funds	<u>18,973,658</u>	<u>(15,056,861)</u>	<u>-</u>	<u>(454,256)</u>	<u>3,462,541</u>
Restricted funds	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>
Total funds	<u>18,973,658</u>	<u>(15,131,861)</u>	<u>-</u>	<u>-</u>	<u>3,387,541</u>

Company

	At 01.04.2023 £	Net movement in funds £	At 31.03.2024 £
Unrestricted funds			
General funds	<u>(959,978)</u>	<u>2,207,624</u>	<u>1,272,646</u>
Restricted funds	<u>632,082</u>	<u>(188,821)</u>	<u>443,261</u>
Total funds	<u>(327,896)</u>	<u>2,018,803</u>	<u>1,690,907</u>

Net movement in funds included in the above are as follows:

	Income £	Expenditure £	Transfers £	Gains and losses £	Movement in funds £
Unrestricted funds					
General funds	<u>1,702,081</u>	<u>(769,201)</u>	<u>1,220,685</u>	<u>54,059</u>	<u>2,207,624</u>
Restricted funds	<u>1,175,519</u>	<u>(143,655)</u>	<u>(1,220,685)</u>	<u>-</u>	<u>(188,821)</u>
Total funds	<u>2,877,600</u>	<u>(912,856)</u>	<u>-</u>	<u>54,059</u>	<u>2,018,803</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

25 Movements in funds – continued

Comparatives for movements in funds

	At 01.04.2022 £	Net movement in funds £	At 31.03.2023 £
Unrestricted funds			
General funds	<u>(59,308)</u>	<u>(900,670)</u>	<u>(959,978)</u>
Restricted funds	<u>707,082</u>	<u>(75,000)</u>	<u>632,082</u>
Total funds	<u>647,774</u>	<u>(975,670)</u>	<u>(327,896)</u>

Net movement in funds included in the above are as follows:

	Income £	Expenditure £	Transfers £	Gains and losses £	Movement in funds £
Unrestricted funds					
General funds	<u>1,188,880</u>	<u>(2,040,067)</u>	<u>-</u>	<u>(49,483)</u>	<u>(900,670)</u>
Restricted funds	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>
Total funds	<u>1,188,880</u>	<u>(2,115,067)</u>	<u>-</u>	<u>(49,483)</u>	<u>(975,670)</u>

26 Directors' advances, credits and guarantees

The following advances and credits to directors subsisted during the years ended 31 March 2024 and 31 March 2023:

	2024 £	2023 £
D Rogers		
Balance outstanding at the start of the year	46,188	-
Amount advanced	-	46,188
Amounts repaid	(46,188)	-
Balance outstanding at the end of the year	<u>-</u>	<u>46,188</u>
Prof. S D Singh		
Balance outstanding at the start of the year	46,188	-
Amount advanced	-	46,188
Amounts repaid	(46,188)	-
Balance outstanding at the end of the year	<u>-</u>	<u>46,188</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

27 Related Party Transactions

During the year, total dividends of £495,788 (2023 - £270,278) were paid to the directors of Medicines Evaluation Unit Limited and CRO Solutions Limited.

Medicines Evaluation Unit Limited provided a loan of £46,188 to E Batty during the year to 31 March 2023, the full amount was repaid during the current year. E Batty is a director and shareholder of Medicines Evaluation Unit Limited and CRO Solutions Limited.

A Pickering Fellowship award was granted to the Manchester University NHS Foundation Trust in the year in respect of funding salary support for Trustee Dr H Badri. The award amounted to £63,000, £33,348 of which was paid during the year. In 2023, a final amount of £10,148 was paid in respect to a previous Pickering Fellowship awarded in 2018, prior to Dr Badri's appointment as a trustee.

Professional fees of £7,236 (2023 - £5,000) were paid to Eversley Resolutions, a business operated by Mr J Alcock, a trustee of the charitable company. The amount was fully paid during the year and there are no amounts outstanding at the balance sheet date.

The charity incurred costs amounting to £nil (2023 - £6,462) in respect of a retirement party attended by two of the trustees.

There are no other related party transactions.

Accounts

Company registration number: 03936652 (England & Wales)
Charity registration number: 1090320

**North West Lung Centre
Group Strategic Report,
Report of the Trustees and
Consolidated Financial Statements
For the year ended 31 March 2023**

**North West Lung Centre
Consolidated Financial Statements
For the year ended 31 March 2023**

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**North West Lung Centre
Reference and Administrative details
For the year ended 31 March 2023**

Company registration number	03936652
Charity registration number	1090320
Trustees	Professor J Vestbo Mr J H Alcock Dr A M Jones Professor C S Murray Mr A K Webb Dr H Badri Dr L A Brown
Company secretary	Professor J Vestbo
Registered office & principal address	The Langley Building Southmoor Road Wythenshawe Manchester M23 9QZ
Auditors	Warr & Co Limited Chartered Accountants and Statutory Auditors Mynshull House 78 Churchgate Stockport SK1 1YJ
Solicitors	Davis Blank Furniss Units 13-15 Brewery Yard Deva City Office Park Trinity Way Manchester M2 7BD
Bankers	Royal Bank of Scotland Plc 467 Wilmslow Road Withington Manchester M20 4AN
Investment managers	Investec Wealth & Investment Management Ltd 2 nd Floor, 3 Hardman Street Spinningfields Manchester M3 3HF

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2023**

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity and the group for the year ended 31 March 2023. The trustees have adopted the provisions of 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).

Trustees of the charity

The trustees who have served during the year and since the year end were as follows:

Professor J Vestbo
Mr J H Alcock
Dr A M Jones
Professor C S Murray
Mr A K Webb
Dr H Badri
Dr L A Brown (Appointed 18/07/2023)

Objectives and activities

The objects of the charity are:

- To promote research into the causes and treatment of human diseases and disseminate the same to the public.
- To engage in research and development of respiratory medicines and general medicines for use in connection with the treatment referred to above.
- To promote the health and wellbeing of patients with respiratory or related diseases.

Through its close involvement with Manchester University NHS Foundation Trust (Wythenshawe) and in particular the North West Lung Research Centre, the Charity seeks to promote and assist in funding research into lung disease in the North West of England. It seeks to do this by identifying worthwhile and relevant research projects and supporting these financially using funds donated directly as well as those donated by its subsidiary companies.

Public benefit statement

The trustees have considered the Charity Commission guidance on public benefit and consider that the objectives and activities of the charity provide a public benefit in that they contribute to the advancement of public health with a specific focus on the North West of England.

Strategic Report

Achievements and performance

The Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), has had another excellent year and the activities continue to grow. The company's turnover for the year ended 31st March 2023 was £17,573,750 and it has been in a position to donate £1,100,000 to the Charity. The company operates a thirty-six bed facility following the completion of its £1.2 million extension 10 years ago and plans are in place to expand the facility further over the next few years.

The Charity continues to provide infrastructure support for respiratory research at the North West Lung Research Centre, Manchester University NHS Foundation Trust, the University of Manchester, and from 2017 also the Respiratory Team of the NIHR Manchester Biomedical Centre, as well as support for projects and posts. Not least the latter has enabled several of the current University faculty to start and/or accelerate their research and has therefore often led to attraction of further substantial funding. With the growing revenue of the Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), there are ongoing discussions on larger strategic research investments (people or equipment) as part of the Charity's future strategy.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2023**

**Strategic Report
Achievements and performance- continued**

The funding awarded this year supports:

1. Continued research using the dedicated research MRI scanner for cardiorespiratory research at Wythenshawe Hospital. The scanner was originally set up with the help of a Charity donation of £500k as well as funding from the British Heart Foundation, as well as a private donor, the University of Manchester, and the Manchester University Hospital NHS Foundation Trust. The scanner provides an excellent basis for collaborative respiratory and cardiac research.

2. A laboratory technician and a research manager – who work as part of a team of four technicians providing close to patient sample handling and downstream processing for most of the research projects undertaken in the NWLC including The Manchester Asthma and Allergy Study (MAAS), UBIOPRED, Airprom, Manchester Allergy, Respiratory and Thoracic Surgery Biobank (ManARTS, previously ManRAB), studies conducted within the NIHR Manchester Clinical Research Facility in addition to studies in Idiopathic Pulmonary Fibrosis and COPD.

In the last few years several COVID studies carried out in collaboration between clinical researchers at Wythenshawe Hospital and researchers at the University's renowned Lydia Becker Institute of Immunology and Inflammation have been carried out here.

3. Pickering Fellowship – The Charity has over the years part funded a senior post for a clinical academic as a bridge to securing an external fellowship. The Charity is currently supporting four such posts. One post has been taken up by a researcher studying neuronal mechanisms underlying occupational asthma; this fellowship is also the first to link research ongoing at both Wythenshawe Hospital and North Manchester Hospital. Another studies proteomics in CF and non-CF bronchiectasis, a frequent area of respiratory medicine that has previously been neglected but which we see as a need and an area we want to expand in Manchester. A third has just started research in interstitial lung diseases. And the fourth in respiratory immunological mechanisms.

The Charity is very proud of the fellowships. We believe they are an important way of growing new respiratory academics and previous Pickering fellows have all gone on to do well in respiratory research, securing significant external funding and clinical academic posts within the NHS and University.

4. A PhD student analysing findings from the Manchester Early Detection of Lung Cancer programme. This work is led by Professor Phil Crosbie – who himself initiated his research career as a Pickering Fellow. The Manchester approach to lung cancer screening using mobile scanner facilities and combining with screening for other chronic lung diseases is set to be the model used by NHS England when lung cancer screening goes nationwide.

5. Laboratory consumable and equipment support – providing funding for shared consumables, equipment maintenance contracts, repair and replacement.

6. A research assistant to provide support in the creation and maintenance of databases.

7. To continue and grow Volatile organic compound work, established in the AMR building at Wythenshawe hospital, a grant of £375k over 3 years will be given to provide one post-doc and 2 other members of staff will be given.

8. Salaries for one research nurse and 2 research practitioners, to work on acute respiratory event research as part of the BRC Respiratory theme (infection, asthma and COPD).

9. Support for 2 experimental medicine studies into long covid, one in children and one in adults.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2023**

**Strategic Report
Achievements and performance- continued**

10. Support towards administrative staff salaries for respiratory research theme, to increase productivity of key researchers.

11. Salary support for a senior research nurse in the asthma program for 30 months.

12. 12 months' salary for post-doc clinical engineer within the respiratory symptoms theme, app 59k.

13. The charity put out a call for application in August 2022 for small project grants (£50K each). The Scientific Committee met on 16/01/23 to discuss applications from the October 2022 project grant call. We had 16 applications all of high quality. The following 8 grants were approved for funding:

a) Development of a patient centred, patient reported outcome measure (PROM) for patients with Inducible Laryngeal Obstruction (ILO). £7711.17 will be available from 1/8/23 for 24 months.

b) Use of a unique and realistic lung macrophage model to investigate disease and therapy of cystic fibrosis bacterial pathogens. of £25,000 will be available from 1/4/23 for 24 months.

c) A multiomics biomarker discovery study in IPF. £50,000 will be available from 1/4/23 for 20 months.

d) Investigating the role of IL-13 in susceptibility to viral infection in COPD. £25,665 will be available from 1/4/23 for 12 months.

e) Neural Correlates of Low Dose Opioid Therapy in Refractory Chronic Cough. £48,771 will be available from 1/7/23 for 18 months.

f) Resolving monocyte and monocyte-derived macrophage extracellular matrix cross-talk and dysregulation: identification of novel biomarker-guided precision treatment targets for Idiopathic Pulmonary Fibrosis. £50,000 will be available from 1/4/23 for 24 months.

g) Investigating the mechanism of beta-lactam allergy—an essential step in developing better diagnostic test and treatment. £49,797 will be available from 1/4/23 for 12 months.

h) Analysis of mast cell signatures and inhibitory receptor expression to guide new drug applications in asthma and COPD. £27,492 00 will be available from 1/4/23 for 18 months.

The charity is funding four ongoing awards which have been nominated by the directors of Medicines Evaluation Unit Limited. Income received in prior years for these awards which has not been paid to the recipients amounts to £632,082 and is held in restricted funds in the accounts. The awards focus on studies of bacterial persistence in COPD.

**Strategic Report
Financial review**

The group accounts reflect a net increase in funds during the year of £2,786,832 (2022 £4,134,555). At the year end, the group's reserves totalled £30,327,064 (2022 £27,540,231).

There were unrealised losses on the Charity's investment portfolio of £85,091 (2022 gains £76,163) and realised losses of £35,608 (2022 £76,734) on investment disposals. The net loss on the Charity's investment portfolio amounted to £49,483 (2022 £571). Investment income at £16,642 compares with £16,301 received in the previous accounting year.

Reserves policy

It is the trustees policy to maintain sufficient reserves to enable the Charity to continue to support studies of lung disease at the Manchester Foundation Trust – Wythenshawe Hospital Site. In particular, the funding of technicians salaries underpinning the major 10-15 year study of prospective longitudinal epidemiological studies into the development of lung disease. In addition, the trustees seek to maintain unrestricted reserves at a level that will enable them to contribute to other related studies whenever possible.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2023**

Investment powers and policy

Under the Articles of Association the trustees have the power to make any investments on behalf of the Charity that they see fit. In considering investment decisions the trustees make due consideration of social, environmental and ethical matters.

Future plans

Following the COVID-19 pandemic, the Charity has seen an increase in research studies and results from the non-costed extensions already funded by the Charity.

The trustees are currently involved in ongoing discussions regarding competitive bids for PhD projects including clinical and non-clinical applications as part of the Charity's future strategy. Additional applications to fund smaller research projects will be divided "early career investigators" and "standard applications".

We anticipate that future Pickering Fellowships will be available for application in 2024.

Small travel grants will be made available in 2023-24 for early career researcher to apply to attend National and International conferences to present their work.

Structure, governance and management

Governing Document

North West Lung Centre is a charitable company limited by guarantee, incorporated on 29 February 2000 and registered as a charity on 30 January 2002. The governing document is the company's Memorandum and Articles of Association.

Recruitment and appointment of Trustees

New trustees are appointed following recommendation from the existing trustees. Under the requirements of the Memorandum and Articles of Association, one third of the trustees shall retire by rotation at each Annual General Meeting. If the resulting vacancies are not filled, then the retiring trustees are, providing they are willing to act, deemed to be reappointed unless the meeting resolves not to fill the vacancies.

Trustee induction and training

All existing trustees are familiar with the work of the charity, new trustees are assisted and encouraged to make themselves aware of the operation of the Charity and the context within which it operates. In particular:

- The obligations of trustees and directors.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems of procedures have been established to mitigate the risks the charity face.

Organisation

The trustees are responsible for the strategic direction and policy of the charity, and the management of the day-to-day activities of the charity. The Articles dictate that there shall be a minimum of three trustees but there is no prescribed maximum.

The liabilities of the members is limited. In winding up each member shall be required to contribute an amount not exceeding £10. Application for membership of the Charity must be approved by the trustees and the number of members shall not be less than two.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2023**

Related Parties

The Charity owns 84.92% of the share capital of Medicines Evaluation Unit Limited and 69.87% of the share capital of CROS Solutions Limited. Medicines Evaluation Unit Limited is a company principally engaged in evaluating medicines for the pharmaceuticals industry. CROS Solutions Limited is a clinical research organisation.

Statement of trustees' responsibilities

The trustees (who are also the directors of North West Lung Centre for the purposes of company law) are responsible for preparing the Report of the trustees, including the group strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial period which show a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

We, the trustees of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Warr & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 30 January 2024



Prof. C Murray
Trustee and Board Secretary

Independent Auditor's Report to the Members of North West Lung Centre

For the year ended 31 March 2023

Opinion

We have audited the financial statements of North West Lung Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, Company statement of financial activities, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement, Company cash flow statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company affairs as at 31 March 2023 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, the trustees, who are also directors of the parent charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 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.

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.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2023

Auditors' responsibilities for the audit of the financial statements

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations were as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the trustees and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- undertook substantive testing on a sample basis;
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

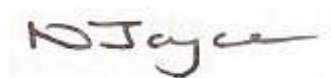
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 auditors.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2023

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Joyce ACA, FCCA (Statutory Senior Auditor)
for and on behalf of Warr & Co Limited
Chartered Accountants & Statutory Auditors
Mynshull House
78 Churchgate
Stockport
Sk1 1YJ

Dated 31 January 2024

North West Lung Centre
Consolidated Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2023

	<i>Note</i>	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME					
Donations and legacies	4	61,680	-	61,680	17,192
Other trading activities:					
Trading income	5	18,686,389	-	18,686,389	17,276,417
Other income	5	-	-	-	55,200
Income from investments	6	225,589	-	225,589	147,419
TOTAL INCOME		18,973,658	-	18,973,658	17,496,228
EXPENDITURE					
Expenditure on raising funds:					
Trading expenses		12,971,547	-	12,971,547	11,509,066
Investment management fees		11,730	-	11,730	12,540
Expenditure on charitable activities:					
Promotion of research	7	2,007,049	75,000	2,082,049	1,521,185
Governance costs	7	21,288	-	21,288	21,244
TOTAL RESOURCES EXPENDED		15,011,614	75,000	15,086,614	13,064,035
Net incoming resources before gains/(losses) on investments		3,962,044	(75,000)	3,887,044	4,432,193
Net gains/(losses) on investments		(454,256)	-	(454,256)	260,997
Net income before taxation		3,507,788	(75,000)	3,432,788	4,693,190
Taxation	11	342,263	-	342,263	359,168
Net movement in funds		3,850,051	(75,000)	3,775,051	5,052,358
Net movement in funds for the year is attributable to:					
- Parent charity		2,861,832	(75,000)	2,786,832	4,134,555
- Non-controlling interests		988,219	-	988,219	917,803
		3,850,051	(75,000)	3,775,051	5,052,358

North West Lung Centre
Consolidated Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2023

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
RECONCILIATION OF FUNDS				
Total funds brought forward at 1 April 2022	27,586,384	707,802	28,294,186	23,516,193
Net movement in funds for the year is attributable to:				
- Parent charity	2,861,832	(75,000)	2,786,832	4,134,555
- Non-controlling interests	988,219	-	988,219	917,803
- Dividends paid to non-controlling interests in subsidiary undertakings	(387,511)	-	(387,511)	(274,365)
Total funds carried forward at 31 March 2023	<u>31,048,924</u>	<u>632,802</u>	<u>31,681,726</u>	<u>28,294,186</u>

All income and expenditure derives from continuing activities.

The consolidated statement of financial activities includes all gains and losses recognised during the year.

North West Lung Centre
Company Statement of Financial Activities
(Including an Income and Expenditure Account)
For the year ended 31 March 2023

	<i>Note</i>	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME					
Donations and legacies	4	1,161,680	-	1,161,680	1,219,988
Income from investments	6	27,200	-	27,200	16,453
TOTAL INCOME		1,188,880	-	1,188,880	1,236,441
EXPENDITURE					
Expenditure on raising funds:					
Investment management fees		11,730	-	11,730	12,540
Expenditure on charitable activities:					
Promotion of research	7	2,007,049	75,000	2,082,049	1,521,185
Governance costs	7	21,288	-	21,288	21,244
TOTAL RESOURCES EXPENDED		2,040,067	75,000	2,115,067	1,554,969
Net incoming resources before gains/(losses) on investments		(851,187)	(75,000)	(926,187)	(318,528)
Net gains/(losses) on investments		(49,483)	-	(49,483)	(571)
Net movement in funds		(900,670)	(75,000)	(975,670)	(319,099)
Total funds brought forward at 1 April 2022		(59,308)	707,082	647,774	966,873
Total funds carried forward at 31 March 2023		(959,978)	632,082	(327,896)	647,774

**North West Lung Centre
Consolidated Balance Sheet
For the year ended 31 March 2023**

	<i>Note</i>	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fixed assets					
Tangible assets	16	4,547,244	-	4,547,244	4,203,099
Investments	17	6,925,895	-	6,925,895	7,140,324
		<u>11,473,139</u>	<u>-</u>	<u>11,473,139</u>	<u>11,343,423</u>
Current assets					
Debtors	18	8,251,658	-	8,251,658	6,069,362
Cash at bank and in hand		<u>21,373,473</u>	<u>632,082</u>	<u>22,005,555</u>	<u>17,016,060</u>
		<u>29,625,131</u>	<u>632,082</u>	<u>30,257,213</u>	<u>23,085,422</u>
Creditors					
Amounts falling due within one year	19	7,981,455	-	7,981,455	5,101,235
		<u>21,643,676</u>	<u>632,082</u>	<u>22,275,758</u>	<u>17,984,187</u>
Net current assets					
		<u>33,116,815</u>	<u>632,082</u>	<u>33,748,897</u>	<u>29,327,610</u>
Total assets less current liabilities					
		<u>31,314,323</u>	<u>632,082</u>	<u>31,946,405</u>	<u>28,309,384</u>
Creditors					
Amounts falling due after more than one year	20	1,732,053	-	1,732,053	976,747
Provisions for liabilities	21	70,439	-	70,439	41,479
Total assets		<u>31,314,323</u>	<u>632,082</u>	<u>31,946,405</u>	<u>28,309,384</u>
Funds attributable to:					
- Parent charity		29,694,982	632,082	30,327,064	27,540,231
- Non-controlling interests		<u>1,619,341</u>	<u>-</u>	<u>1,619,341</u>	<u>769,153</u>
		<u>31,314,323</u>	<u>632,082</u>	<u>31,946,405</u>	<u>28,309,384</u>

The financial statements were approved and authorised for issue by the Board on 30 January 2024
Signed on behalf of the board of trustees



Prof. C Murray
Trustee



Mr A K Webb
Trustee

Company registration number 03936652

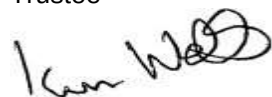
**North West Lung Centre
Company Balance Sheet
For the year ended 31 March 2023**

	Note	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Fixed assets					
Investments	17	837,444	-	837,444	882,015
		<u>837,444</u>	<u>-</u>	<u>837,444</u>	<u>882,015</u>
Current assets					
Debtors	18	-	-	-	636
Cash at bank and in hand		2,341,919	632,082	2,974,001	2,328,035
		<u>2,341,919</u>	<u>632,082</u>	<u>2,974,001</u>	<u>2,328,671</u>
Creditors					
Amounts falling due within one year	19	2,407,288	-	2,407,288	1,586,165
		<u>(65,369)</u>	<u>632,082</u>	<u>566,713</u>	<u>742,506</u>
Net current assets					
		<u>772,075</u>	<u>632,082</u>	<u>1,404,157</u>	<u>1,624,521</u>
Total assets less current liabilities					
Creditors					
Amounts falling due after more than one year	20	1,732,053	-	1,732,053	976,747
		<u>(959,978)</u>	<u>632,082</u>	<u>(327,896)</u>	<u>647,774</u>
Total assets					
Funds					
Unrestricted funds				(959,978)	(59,308)
Restricted funds				<u>632,082</u>	<u>707,082</u>
				<u>(327,896)</u>	<u>647,774</u>

The financial statements were approved and authorised for issue by the Board on 30 January 2024
Signed on behalf of the board of trustees



Prof. C Murray
Trustee



Mr A K Webb
Trustee

Company registration number 03936652

The notes on pages 20 to 38 form part of these financial statements.

North West Lung Centre
Consolidated Statement of Changes in Equity
For the year ended 31 March 2023

	Unrestricted funds	Restricted funds	Share capital	Share premium	Total fund balances
	£	£	£	£	£
At 1 April 2021	22,861,903	654,287	78	14,697	23,530,965
Changes in equity					
Net movement in funds	4,999,563	52,795	-	-	5,052,358
New shares issued	-	-	426	-	426
Dividends paid to Non-controlling interests	(274,365)	-	-	-	(274,365)
At 31 March 2022	<u>27,587,101</u>	<u>707,082</u>	<u>504</u>	<u>14,697</u>	<u>28,309,384</u>
Changes in equity					
Net movement in funds	3,850,052	(75,000)	-	-	3,775,052
Share premium and unpaid share capital recognised	-	-	-	249,480	249,480
Dividends paid to Non-controlling interests	(387,511)	-	-	-	(387,511)
At 31 March 2023	<u>31,049,642</u>	<u>632,082</u>	<u>504</u>	<u>264,177</u>	<u>31,946,405</u>

	Total controlling interest	Non-controlling interest	Total fund balances
	£	£	£
At 1 April 2021	23,405,676	125,289	23,530,965
Changes in equity			
Net movement in funds	4,134,555	917,803	5,052,358
New shares issued	-	426	426
Dividends paid to Non-controlling interests	-	(274,365)	(274,365)
At 31 March 2022	<u>27,540,231</u>	<u>769,153</u>	<u>28,309,384</u>
Changes in equity			
Net movement in funds	2,786,833	988,219	3,775,052
New shares issued	-	249,480	249,480
Dividends paid to Non-controlling interests	-	(387,511)	(387,511)
At 31 March 2023	<u>30,327,064</u>	<u>1,619,341</u>	<u>31,946,405</u>

**North West Lung Centre
Company Statement of Changes in Equity
For the year ended 31 March 2023**

	Unrestricted funds	Restricted funds	Total fund balances
	£	£	£
At 1 April 2021	312,586	654,287	966,873
Changes in equity			
Net movement in funds	<u>(371,893)</u>	<u>52,795</u>	<u>(319,098)</u>
At 31 March 2022	<u>(59,307)</u>	<u>707,082</u>	<u>647,775</u>
Changes in equity			
Net movement in funds	<u>(900,669)</u>	<u>(75,000)</u>	<u>(975,669)</u>
At 31 March 2023	<u>(959,976)</u>	<u>632,082</u>	<u>(327,894)</u>

North West Lung Centre
Consolidated Cash Flow Statement
For the year ended 31 March 2023

		2023	2022
		£	£
	<i>Note</i>		
Cash flows from operating activities			
Cash generated from operations	23	6,045,338	5,246,583
Interest paid		-	-
Government grants		-	-
Tax paid		-	-
Net cash from operating activities		6,045,338	5,246,583
Cash flows from investing activities			
Purchase of tangible fixed assets		(589,366)	(74,882)
Purchase of fixed asset investments		(2,320,338)	(3,445,301)
Sale of tangible fixed assets		-	2,750
Sale of fixed asset investments		2,080,511	1,452,045
Interest received		85,233	40,929
Dividends received		140,356	106,490
Net cash from investing activities		(603,604)	(1,917,969)
Cash flows from financing activities			
Amount withdrawn by directors		(92,376)	-
Share issued to non-controlling interests		(110,916)	426
Share premium recognised from non-controlling interests		138,564	-
Dividends paid to non-controlling interests		(387,511)	(274,365)
Net cash from financing activities		(452,239)	(273,939)
Increase/(decrease) in cash and cash equivalents		4,989,495	3,054,675
Cash and cash equivalents at beginning of year	24	17,016,060	13,961,385
Cash and cash equivalents at end of year	24	22,005,555	17,016,060

**North West Lung Centre
Company Cash Flow Statement
For the year ended 31 March 2023**

		2023	2022
		£	£
	<i>Note</i>		
Cash flows from operating activities			
Cash generated from operations	23	(476,322)	(577,785)
Tax paid		-	-
Net cash from operating activities		(476,322)	(577,785)
Cash flows from investing activities			
Purchase of fixed asset investments		(97,199)	(174,805)
Sale of fixed asset investments		92,287	171,044
Interest received		10,558	152
Dividends received		1,116,642	1,219,097
Net cash from investing activities		1,122,288	1,215,488
Increase/(decrease) in cash and cash equivalents		645,966	637,703
Cash and cash equivalents at beginning of year	24	2,328,035	1,690,332
Cash and cash equivalents at end of year	24	2,974,001	2,328,035

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

1 Statutory Information

North West Lung Centre is a private charitable company, limited by guarantee and registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page one of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report.

2 Accounting policies

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the recommendations of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS 102) (effective 1 January 2019) and UK Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis under the historical cost convention modified to the extent that listed investments are included at fair value.

The financial statements are presented in sterling, which is the functional currency of the company. All amounts stated are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

These financial statements consolidate the results of the Charity and its subsidiaries, Medicines Evaluation Unit Limited and CROS Solutions Limited on a line by line basis..

All financial statements are made up to 31 March 2023. All inter-company transactions and balances between group companies are eliminated on consolidation.

Medicines Evaluation Unit Limited and CROS Solutions Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group financial statements and statement of cash flows include the results and cash flows of both companies. The non-controlling interest of each company has been separately disclosed.

Going concern

The trustees recognise that the charity has future funding commitments that exceed the charitable company's reserves as an individual entity at the balance sheet date. When undertaking their assessment of the group's financial position they have considered the expected continuing positive cash flows to be generated by the subsidiary undertakings and are confident that there is a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Thus, the group company has prepared the financial statements on a going concern basis.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Any capital gains or losses arising on the investments form part of the unrestricted fund. Investment management charges and legal advice relating to the investments are charged against the unrestricted fund.

Restricted funds represent funds received from Medicines Evaluation Unit Limited which are intended to fund specific research projects as requested by the directors.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

2 Accounting policies – continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. The costs of each activity are made up of the total of direct costs and a share of other costs including support costs involved in undertaking each activity. Costs are categorised under the following headings:

- Costs of raising funds include costs incurred in attracting voluntary income, managing the charity's investment portfolio and those costs incurred in trading activities that raise funds.
- Expenditure on charitable activities comprises expenditure associated with the funding of research into lung disease and other activities of the Charity as detailed in the Trustees report; and
- Other expenditure represents those items not falling into the categories above and generally relates to Governance costs which include those costs primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short leasehold land and buildings	Over the term of the lease
Medical and office equipment	25% on cost
Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	33% on cost

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

2 Accounting policies – continued

Investments

Fixed asset Investments are recognised initially at transaction price excluding transaction costs. Subsequently, they are measured at fair value at each reporting date with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

For the purposes of the Charity's balance sheet, the investments in Medicines Evaluation Unit Limited and CROS Solutions Limited are shown at the cost to the charity, which is the share capital of the company.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks, and other short term liquid investments.

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the group and company balance sheets when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

2 Accounting policies – continued

Taxation

Taxation for the year comprises current and deferred tax in respect of the group companies. Tax is recognised in the Consolidated Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The parent company meets the definition of a charitable company and is potentially exempt from taxation in respect of its income and capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover from trading activities

Turnover is recognised at the fair value of the consideration received or receivable for services provided in connection with the operation of clinical trials and related services.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the normal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged as an expense on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The groups subsidiary undertakings contribute to a defined contribution pension scheme. Contributions payable are charged as an expense in the period to which they relate.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

2 Accounting policies – continued

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Costs relating to any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees and directors are required to make judgements, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Management have used their expectation of the estimated useful lives of each category of assets in order to ensure the appropriate provision is made for depreciation. Details of the estimated useful lives are noted in the accounting policies and the depreciation provision is stated in note 16.

Amounts recoverable under contracts are measured by management who by reference to individual contracts assess the stage of completion by determining the proportion of work completed and costs incurred to ensure that revenue is recognised in the correct accounting period.

4 Income from donations and legacies

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
General donations	<u>61,680</u>	<u>17,192</u>	<u>1,161,680</u>	<u>1,219,988</u>

5 Income from other trading activities

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trading activities				
Turnover - clinical trials	18,686,389	17,276,417	-	-
Other income	-	55,200	-	-
	<u>18,686,389</u>	<u>17,331,617</u>	<u>-</u>	<u>-</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

6 Income from investments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank interest	85,234	40,929	10,558	152
Income from listed investments	140,355	106,490	16,642	16,301
	<u>225,589</u>	<u>147,419</u>	<u>27,200</u>	<u>16,453</u>

7 Expenditure on charitable activities

	Company	
	2023	2022
	£	£
Promotion of research		
Research grants to institutions	2,052,618	1,514,477
Grants to individuals	-	1,026
Travel costs	9,787	2,395
Donations	19,644	3,287
	<u>2,082,049</u>	<u>1,521,185</u>

	Company	
	2023	2022
	£	£
Governance costs		
Legal and professional fees	5,000	5,000
Auditors remuneration	10,900	9,900
Sundries	5,074	6,132
Bank charges	314	212
	<u>21,288</u>	<u>21,244</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

8 Analysis of grants

The majority of grants are made to institutions in furtherance of the charitable objectives as detailed in the Trustees Report. Most of the grants awarded by the company during the year were to the Manchester University NHS Foundation Trust and The University of Manchester, the total cost of grants awarded includes support costs and is disclosed on the face of the SoFA as Promotion of Research, a breakdown of the costs is included in note 7 to the accounts.

Where awards have been granted and not claimed within the award period any remaining funds are credited back to the company following expiry of the award period and deducted from the value of new awards during the year.

The following institutions received grant support from the charity during the year.

	2023	2022
	£	£
Manchester University NHS Foundation Trust	721,940	690,701
The University of Manchester	1,358,077	822,889
The University Hospital of South Manchester	(5,208)	-
Pennine Acute Hospital NHS Trust	(22,191)	-
Others	-	886
	<u>2,052,618</u>	<u>1,514,476</u>

The nature of projects supported during the year are as follows;

	2023	2022
	£	£
Research projects	916,241	989,327
Salary awards	785,980	389,374
Fellowship awards	(22,191)	120,000
Purchase of equipment and consumables	372,588	15,775
	<u>2,052,618</u>	<u>1,514,476</u>

9 Movements in funding commitments

The Charity awards a number of grants, some are awarded and paid out in the same financial year. However, some grants especially those relating to research or funding specific posts are multi-year grants paid over a longer period.

The movement in funding commitments during the year is as follows:

	Current liabilities	Non-current liabilities	Total
	£	£	£
Opening balance at 1 April 2022	1,562,752	976,747	2,539,499
New funding awards approved during the year	1,335,355	1,131,136	2,466,491
Unused amounts reversed during the year	(413,873)	-	(413,873)
Movement from non-current to current	375,830	(375,830)	-
Amounts paid during the year	<u>(476,339)</u>	<u>-</u>	<u>(476,339)</u>
Closing balance at 31 March 2023	<u>2,383,725</u>	<u>1,732,053</u>	<u>4,115,778</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

10 Auditors remuneration

	2023	2022
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>6,000</u>	<u>6,000</u>
Fees payable to the charity's auditor in respect of non -audit services not included in the above.	<u>4,900</u>	<u>4,930</u>

11 Taxation

	2023	2022
	£	£
Current tax:		
UK corporation tax	(371,223)	(337,588)
Deferred tax	<u>28,960</u>	<u>(21,580)</u>
Tax on net income	<u>(342,263)</u>	<u>(359,168)</u>
UK Corporation tax has been charged at 19% (2022 19%)		

Reconciliation of tax credit included in the Consolidated Statement of Financial Activities

	2023	2022
	£	£
Net income before taxation	4,408,458	4,693,190
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 19%)	837,607	891,706
Effects of:		
Expenses not deductible for tax purposes	63,934	60,629
Income not taxable for tax purposes	-	(47,269)
Depreciation in excess of capital allowances	2,378	17,079
Capital allowances in excess of depreciation	(551)	-
Research and development tax claim	(1,277,339)	(1,283,427)
Deferred tax adjustment	28,960	(21,580)
Other tax adjustment	<u>2,748</u>	<u>23,694</u>
Total tax credit	<u>(342,263)</u>	<u>(359,168)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

12 Net income

	Group	
Net income is stated after charging/(crediting):	2023	2022
	£	£
Operating lease rentals	51,314	47,841
Depreciation - owned assets	245,222	241,246
(Profit) /loss on disposal of fixed assets	83,881	25,248

13 Trustees remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022 £Nil).

Travel expenses amounting to £6,118 (2022 £2,395) were reimbursed to one of the trustees during the year and conference expenses amounting to £522 (2022 £nil) were reimbursed to one of the trustees during the year.

14 Staff costs and employee benefits

	Group		Company	
	2023	2022	2023	2022
The average number of employees during the year was as follows:				
	83	67	-	-
Admin	79	73		
Clinical	162	140		

The total staff costs and employee benefits were as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	6,397,750	5,910,124	-	-
Social security	701,382	588,202	-	-
Other pension costs	234,103	220,457	-	-
	7,333,235	6,718,783	-	-

The number of group employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
£60,001- £70,000	3	3	-	-
£70,001 - £80,000	1	-	-	-
£80,001- £90,000	-	1	-	-
£90,001 - £100,000	1	-	-	-
£100,001- £110,000	0	2	-	-
£130,001- £140,000	1	1	-	-
£170,001 - £180,000	1	0	-	-
£210,001- £220,000	1	1	-	-

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

14 Staff costs and employee benefits - continued

The key management personnel of the group comprise the directors of the subsidiary undertakings Medicines Evaluation Unit Limited and CROS Solutions Limited whose employee benefits totalled £387,070 (2022: £388,331).

15 Comparatives for the company statement of financial activities

	<i>Note</i>	Unrestricted fund 2022	Restricted fund 2022	Total funds 2022
		£	£	£
INCOME				
Donations and legacies	4	1,017,193	202,795	1,219,988
Other trading activities:				
Income from investments	6	16,453	-	16,453
TOTAL INCOME		1,033,646	202,795	1,236,441
EXPENDITURE				
Expenditure on raising funds:				
Investment management fees		12,540	-	12,540
Expenditure on charitable activities:				
Promotion of research	7	1,371,185	150,000	1,521,185
Governance costs	7	21,244	-	21,244
TOTAL RESOURCES EXPENDED		1,404,969	150,000	1,554,969
Net incoming resources before gains/(losses) on investments		(371,323)	52,795	(318,528)
Net gains/(losses) on investments		(571)	-	(571)
Net movement in funds		(371,894)	52,795	(319,099)
Total funds brought forward at 1 April 2022		312,586	654,287	966,873
Total funds carried forward at 31 March 2023		(59,308)	707,082	647,774

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

16 Tangible fixed assets

Group	Short Leasehold	Plant and Machinery	Fixtures and fittings	Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	5,497,683	797,152	530,548	6,959	247,288	7,079,630
Additions	414,255	146,913	28,198	-	-	589,366
At 31 March 2023	5,911,938	944,065	558,746	6,959	247,288	7,668,996
Depreciation						
At 1 April 2022	1,541,043	686,065	395,256	6,959	247,208	2,876,531
Charge for the year	130,329	79,259	35,553	-	80	245,221
At 31 March 2023	1,671,372	765,324	430,809	6,959	247,288	3,121,752
Net book value						
At 31 March 2023	4,240,566	178,741	127,937	-	-	4,547,244
At 31 March 2022	3,956,640	111,087	135,292	-	80	4,203,099

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

17 Fixed asset investments

Group	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 April 2022	7,140,323	1	7,140,324
Additions	2,320,338	-	2,320,338
Disposals	(2,113,254)	-	(2,113,254)
Movement in valuation	(421,513)	-	(21,513)
At 31 March 2023	6,925,894	1	6,925,895
Market value			
At 31 March 2023	6,925,894	1	6,925,895
At 31 March 2022	7,140,323	1	7,140,324

Company	Shares in group undertakings	Listed investments	Total
	£	£	£
Cost or valuation			
At 1 April 2022	1,656	880,359	882,015
Additions	-	97,199	97,199
Disposals	-	(56,679)	(56,679)
Movement in valuation	-	(85,091)	(85,091)
At 31 March 2023	1,656	835,788	837,444
Market value			
At 31 March 2023	1,656	835,788	837,444
Market value			
At 31 March 2022	1,656	880,359	882,015

Subsidiary undertakings

The following were subsidiary undertakings of the charity at 31 March 2023.

Name	Registered Office Address	Class of share	Holding
Medicines Evaluation Unit Limited	The Langley Building, Southmoor Road, Wythenshawe, Manchester M23 9QZ	Ordinary 'A'	84.92%
CROS Solutions Limited	2C South Stage Michigan Avenue, Salford, M50 2GY	Ordinary 'A'	69.87%

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

18 Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	2,879,967	3,453,729	-	-
Amounts recoverable on contracts	3,225,955	1,241,021	-	-
Other debtors	287,950	473,681	-	-
Directors' current accounts	92,376	-	-	-
Tax	1,258,688	887,465	-	-
Called up share capital not paid	110,916	-	-	-
Prepayments and accrued income	395,806	13,466	-	636
	8,251,658	6,069,362	-	636

19 Creditors – Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	47,285	36,140	-	-
Amounts owed to participating interests	-	-	-	-
Social security and other taxes	47,783	126,025	-	-
VAT	-	344,976	-	-
Other creditors	2,383,725	1,564,433	2,383,725	1,564,433
Accruals and deferred income	5,502,662	3,029,661	23,563	21,732
	7,981,455	5,101,235	2,407,288	1,586,165

20 Creditors – Amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Other creditors	1,732,053	976,747	1,732,053	976,747

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

21 Provisions for liabilities and charges

	Group	
	2023	2022
	£	£
Deferred tax		
Accelerated capital allowances	70,439	41,479
		Deferred Tax
		£
Group		
Balance as at 1 April 2022		41,479
Transfer to Statement of Financial Activities		28,960
Balance as at 31 March 2023		70,439

22 Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than one year	108,985	113,737
Later than one year and not later than five years	245,535	249,315
In more than five years	285,973	338,768
	640,493	701,820

23 Reconciliation of cash generated from operations

	2023	2022
	£	£
Group		
Net incoming resources before taxation	3,432,788	4,693,191
Depreciation charges	245,222	241,246
(Profit)/loss on disposal of fixed assets	32,743	25,248
(Gain)/loss on valuation of investments	421,513	(286,245)
Governments grants	-	-
Finance costs	-	-
Finance income	(225,589)	(147,419)
	3,906,677	4,526,021
Decrease/(increase) in trade and other debtors	148,169	(3,894,733)
Increase /(decrease) in trade and other creditors	1,990,492	4,615,295
Cash generated from operations	6,045,338	5,246,583

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

23 Reconciliation of cash generated from operations – continued

Company	2023	2022
	£	£
Net incoming resources before taxation	(975,670)	(319,098)
(Profit)/loss on disposal of fixed assets	(35,608)	76,734
(Gain)/loss on valuation of investments	85,091	(76,163)
Finance income	(1,127,200)	(1,219,249)
	(2,053,387)	(1,537,776)
Decrease/(increase) in trade and other debtors	636	-
Increase /(decrease) in trade and other creditors	1,576,429	959,991
Cash generated from operations	(476,322)	(577,785)

24 Cash and cash equivalents

Group	2023	2022
	£	£
Year ended 31 March 2023		
Cash and cash equivalents	22,005,555	17,016,060
	2022	2021
	£	£
Year ended 31 March 2022		
Cash and cash equivalents	17,016,060	13,961,385
Company	2023	2022
	£	£
Year ended 31 March 2023		
Cash and cash equivalents	2,974,001	2,328,035
	2022	2021
	£	£
Year ended 31 March 2022		
Cash and cash equivalents	2,328,035	1,690,332

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

25 Analysis of changes in net funds

Group

	At 01.04.2022	Cash flow	At 31.03.2023
Net cash	£	£	£
Cash at bank and in hand	<u>17,016,060</u>	<u>4,989,495</u>	<u>22,005,555</u>

Company

	At 01.04.2022	Cash flow	At 31.03.2023
Net cash	£	£	£
Cash at bank and in hand	<u>2,328,035</u>	<u>645,966</u>	<u>2,974,001</u>

26 Movements in funds

Group

	At 01.04.2022	Net movement in funds	At 31.03.2023
	£	£	£
Unrestricted funds			
General funds	<u>27,587,101</u>	<u>3,462,541</u>	<u>31,049,642</u>
Restricted funds	<u>707,082</u>	<u>(75,000)</u>	<u>632,082</u>
Total funds	<u>28,294,183</u>	<u>3,387,541</u>	<u>31,681,724</u>

Net movement in funds included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General funds	<u>18,973,658</u>	<u>15,511,117</u>	<u>3,462,541</u>
Restricted funds	<u>-</u>	<u>75,000</u>	<u>(75,000)</u>
Total funds	<u>18,973,658</u>	<u>15,586,117</u>	<u>3,387,541</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

26 Movements in funds – continued

General unrestricted funds are available to be utilised in furtherance of the objectives of the charity as determined by the trustees.

Restricted funds held are in respect of furtherance of projects specified by the directors of the group's subsidiary companies and include awards as detailed in the trustees report.

Group

Comparatives for movements in funds

	At 01.04.2021 £	Net movement in funds £	At 31.03.2022 £
Unrestricted funds			
General funds	<u>22,861,903</u>	<u>4,725,198</u>	<u>27,587,101</u>
Restricted funds	<u>654,287</u>	<u>52,795</u>	<u>707,082</u>
Total funds	<u>23,516,190</u>	<u>4,777,993</u>	<u>28,294,183</u>

Net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	<u>17,293,433</u>	<u>12,568,235</u>	<u>4,725,198</u>
Restricted funds	<u>202,795</u>	<u>150,000</u>	<u>52,795</u>
Total funds	<u>17,496,228</u>	<u>12,718,235</u>	<u>4,777,993</u>

Company

	At 01.04.2022 £	Net movement in funds £	At 31.03.2023 £
Unrestricted funds			
General funds	<u>(59,307)</u>	<u>(900,669)</u>	<u>(959,976)</u>
Restricted funds	<u>707,082</u>	<u>(75,000)</u>	<u>632,082</u>
Total funds	<u>647,775</u>	<u>(975,669)</u>	<u>(327,894)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

26 Movements in funds - continued

Company

Net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	<u>1,188,880</u>	<u>2,089,550</u>	<u>(900,670)</u>
Restricted funds	<u>-</u>	<u>75,000</u>	<u>(75,000)</u>
Total funds	<u>1,188,880</u>	<u>2,164,550</u>	<u>(975,670)</u>

Comparatives for movements in funds

	At 01.04.2021 £	Net movement in funds £	At 31.03.2022 £
Unrestricted funds			
General funds	<u>312,586</u>	<u>(371,894)</u>	<u>(59,308)</u>
Restricted funds	<u>654,287</u>	<u>52,795</u>	<u>707,082</u>
Total funds	<u>966,873</u>	<u>(319,099)</u>	<u>647,774</u>

Net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	<u>1,033,646</u>	<u>1,405,540</u>	<u>(371,894)</u>
Restricted funds	<u>202,795</u>	<u>150,000</u>	<u>52,795</u>
Total funds	<u>1,236,441</u>	<u>1,555,540</u>	<u>(319,099)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

27 Directors' advances, credits and guarantees

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 31 March 2022;

	2023	2022
	£	£
D Rogers		
Balance outstanding at the start of the year	-	-
Amount advanced	<u>46,188</u>	-
Balance outstanding at the end of the year	<u>46,188</u>	-
Prof S D Singh		
Balance outstanding at the start of the year	-	-
Amount advanced	<u>46,188</u>	-
Balance outstanding at the end of the year	<u>46,188</u>	-

28 Related Party Transactions

During the year, total dividends of £234,465 (2022- £182,910) were paid to the directors of Medicines Evaluation Unit Limited and CROS Solutions Limited.

Medicine Evaluation Unit Limited provided a loan of £46,188 to E Batty during the year, the full amount was outstanding at the balance sheet date. E Batty is a shareholder of Medicines Evaluation Unit Limited and a director and shareholder of CROS Solutions Limited.

A Pickering Fellowship award was granted to the Pennine Acute Hospital NHS Trust in 2018 in respect of funding a study undertaken by Dr H Badri prior to her appointment as a trustee of the charity in 2020. The initial award amounted to £162,000 with a final sum of £10,148 paid during the year (2022 - £60,302). The award period ended in March 2022 and unused funds amounting to £22,191 have been reversed in the current year as shown in note 8.

Legal fees of £5,000 (2022 - £5,000) were paid to Eversley Resolutions, a business operated by Mr J Alcock, a trustee of the charitable company. The amount was fully paid during the year and there are no amounts outstanding at the balance sheet date.

The charity incurred costs amounting to £6,462 (2022 - £nil) in respect of a retirement party attended by two of the trustees.

There are no other related party transactions.

Accounts

Company registration number: 03936652 (England & Wales)
Charity registration number: 1090320

**North West Lung Centre
Group Strategic Report,
Report of the Trustees and
Consolidated Financial Statements
For the year ended 31 March 2022**

**North West Lung Centre
Consolidated Financial Statements
For the year ended 31 March 2022**

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**North West Lung Centre
Reference and Administrative details
For the year ended 31 March 2022**

Company registration number	03936652
Charity registration number	1090320
Trustees	Professor J Vestbo Mr J H Alcock Dr A M Jones Dr C S Murray Dr Y J Summers (Resigned 27/04/2021) Mr A K Webb Professor A Woodcock (Resigned 27/04/2021) Dr H Badri
Company secretary	Professor J Vestbo
Registered office & principal address	The Langley Building Southmoor Road Wythenshawe Manchester M23 9QZ
Auditors	Warr & Co Limited Chartered Accountants and Statutory Auditors 76 Manchester Road Denton Manchester M34 3PS
Solicitors	Davis Blank Furniss Units 13-15 Brewery Yard Deva City Office Park Trinity Way Manchester M2 7BD
Bankers	Royal Bank of Scotland Plc 467 Wilmslow Road Withington Manchester M20 4AN
Investment managers	Investec Wealth & Investment Management Ltd 2 nd Floor, 3 Hardman Street Spinningfields Manchester M3 3HF

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2022**

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity and the group for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

Trustees of the charity

The trustees who have served during the year and since the year end were as follows:

Professor J Vestbo
Mr J H Alcock
Dr A M Jones
Dr C S Murray
Dr Y J Summers (Resigned 27/04/2021)
Mr A K Webb
Professor A Woodcock (Resigned 27/04/2021)
Dr H Badri

Objectives and activities

The objects of the charity are:

- To promote research into the causes and treatment of human diseases and disseminate the same to the public.
- To engage in research and development of respiratory medicines and general medicines for use in connection with the treatment referred to above.
- To promote the health and wellbeing of patients with respiratory or related diseases.

Through its close involvement with Manchester University NHS Foundation Trust (Wythenshawe) and in particular the North West Lung Research Centre, the Charity seeks to promote and assist in funding research into lung disease in the North West of England. It seeks to do this by identifying worthwhile and relevant research projects and supporting these financially using funds donated directly as well as those donated by its subsidiary companies.

Public benefit statement

The trustees have considered the Charity Commission guidance on public benefit and consider that the objectives and activities of the charity provide a public benefit in that they contribute to the advancement of public health with a specific focus on the North West of England.

Strategic Report

Achievements and performance

The Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), has had another excellent year and the activities continue to grow. The company's turnover for the year ended 31st March 2022 was £17,276,417 and it has been in a position to donate £1,202,795 to the Charity. The company now operates a thirty-six bed facility following the completion of its £1.2 million extension 9 years ago and will likely expand further at the Wythenshawe site as the existing building continues to experience high occupancy.

The Charity continues to provide infrastructure support for respiratory research at the North West Lung Research Centre, Manchester University NHS Foundation Trust, the University of Manchester, and from 2017 also the Respiratory Theme of the NIHR Manchester Biomedical Centre, as well as support for projects and posts. Not least the latter has enabled several of the current University faculty to start and/or accelerate their research and has therefore often led to attraction of further substantial funding. With the growing revenue of the Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), there are ongoing discussions on larger strategic research investments (people or equipment) as part of the Charity's future strategy.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2022**

**Strategic Report
Achievements and performance- continued**

The funding awarded this year supports:

1. Continued research using the dedicated research MRI scanner for cardiorespiratory research at Wythenshawe Hospital. The scanner was originally set up with the help of a Charity donation of £500k as well as funding from the British Heart Foundation, as well as a private donor, the University of Manchester, and the Manchester University Hospital NHS Foundation Trust. The scanner provides an excellent basis for collaborative respiratory and cardiac research.

This year the Charity has funded the purchase of an MRI coil for imaging of the lungs (£45,000) and support for specific imaging research projects (£125,000).

2. A laboratory technician and a research manager – who work as part of a team of four technicians providing close to patient sample handling and downstream processing for most of the research projects undertaken in the NWLC including The Manchester Asthma and Allergy Study (MAAS), UBIOPRED, Airprom, Manchester Allergy, Respiratory and Thoracic Surgery Biobank (ManARTS, previously ManRAB), studies conducted within the NIHR Manchester Clinical Research Facility in addition to studies in Lung Cancer Diagnostics and Cystic Fibrosis.

In the last few years seminal COVID studies carried out in collaboration between clinical researchers at Wythenshawe Hospital and researchers at the University's renowned Lydia Becker Institute of Immunology and Inflammation have been carried out here.

3. Pickering Fellowship – The Charity has over the years part funded a senior post for a clinical academic as a bridge to securing an external fellowship. The Charity is currently supporting two such posts. One post has been taken up by a researcher studying neuronal mechanisms underlying occupational asthma; this fellowship is also the first to link research ongoing at both Wythenshawe Hospital and North Manchester Hospital. Another studies proteomics in CF and non-CF bronchiectasis, a frequent area of respiratory medicine that has previously been neglected but which we see as a need and an area we want to expand in Manchester. A third has just started research in interstitial lung diseases.

The Charity is very proud of the fellowships. We believe they are an important way of growing new respiratory academics and previous Pickering fellows have all gone on to do well in respiratory research.

4. A PhD student analysing findings from the Manchester Early Detection of Lung Cancer programme. This work is led by Professor Phil Crosbie – who himself initiated his research career as a Pickering Fellow. The Manchester approach to lung cancer screening using mobile scanner facilities and combining with screening for other chronic lung diseases is set to be the model used by NHS England when lung cancer screening goes nationwide.

5. Laboratory consumable and equipment support – providing funding for shared consumables, equipment maintenance contracts, repair and replacement. This includes acquisition of a new microscope camera for the Education and Research Centre at Wythenshawe hospital.

6. A research assistant to provide support in the creation and maintenance of databases.

7. An Administrative Financial Coordinator.

Finally, Professors David Denning and Jørgen Vestbo, both previous grant recipients, have again been named Highly Cited Researchers by Web of Science / Clarivate Analytics. The list of Highly Cited Researchers for 2019 contains 6,216 researchers in all fields of research in the world; of these, 436 in Clinical Medicine.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2022**

Strategic Report

Financial review

The group accounts reflect a net increase in funds during the year of £4,134,555 (2021 £4,872,988). At the year end the group's unrestricted reserves totalled £27,540,657 (2021 £23,405,677).

There were unrealised gains on the Charity's investment portfolio of £76,163 (2021 £142,952) and realised losses of £76,734 (2021 gains £10,851) on investment disposals. The net gains in the Charity's investment portfolio amounted to £571 (2021 £153,803). Investment income at £16,301 compares with £19,240 received in the previous accounting year.

Reserves policy

It is the trustees policy to maintain sufficient reserves to enable the Charity to continue to support studies of lung disease at the University Hospital of South Manchester. In particular, the funding of technicians salaries underpinning the major 10-15 year study of prospective longitudinal epidemiological studies into the development of lung disease. In addition, the trustees seek to maintain unrestricted reserves at a level that will enable them to contribute to other related studies whenever possible.

Investment powers and policy

Under the Articles of Association the trustees have the power to make any investments on behalf of the Charity that they see fit. In considering investment decisions the trustees make due consideration of social, environmental and ethical matters.

Future plans

As a result of the COVID-19 pandemic, very few studies have been able to continue. The Charity has provided non-costed extensions to projects already funded by the Charity, and we have provided costed extensions and allowed changes to project and/or budgets where this has been a consequence of the pandemic.

The trustees are currently involved in ongoing discussions regarding larger strategic research investments (people or equipment) as part of the Charity's future strategy.

Structure, governance and management

Governing Document

North West Lung Centre is a charitable company limited by guarantee, incorporated on 29 February 2000 and registered as a charity on 30 January 2002. The governing document is the company's Memorandum and Articles of Association.

Recruitment and appointment of Trustees

New trustees are appointed following recommendation from the existing trustees. Under the requirements of the Memorandum and Articles of Association, one third of the trustees shall retire by rotation at each Annual General Meeting. If the resulting vacancies are not filled, then the retiring trustees are, providing they are willing to act, deemed to be reappointed unless the meeting resolves not to fill the vacancies.

Trustee induction and training

All existing trustees are familiar with the work of the charity, new trustees are assisted and encouraged to make themselves aware of the operation of the Charity and the context within which it operates. In particular:

- The obligations of trustees and directors.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems of procedures have been established to mitigate the risks the charity face

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2022**

**Structure, governance and management
Organisation**

The trustees are responsible for the strategic direction and policy of the charity, and the management of the day-to-day activities of the charity. The Articles dictate that there shall be a minimum of three trustees but there is no prescribed maximum.

The liabilities of the members is limited. In winding up each member shall be required to contribute an amount not exceeding £10. Application for membership of the Charity must be approved by the trustees and the number of members shall not be less than two.

Related Parties

The Charity owns 84.92% of the share capital of Medicines Evaluation Unit Limited and 69.87% of the share capital of CROS Solutions Limited. Medicines Evaluation Unit Limited is a company principally engaged in evaluating medicines for the pharmaceuticals industry. CROS Solutions Limited is a clinical research organisation.

Statement of trustees' responsibilities

The trustees (who are also the directors of North West Lung Centre for the purposes of company law) are responsible for preparing the Report of the trustees, including the group strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company Law requires the trustees to prepare financial statements for each financial period which show a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

We, the trustees of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Warr & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on 30 March 2023.



Prof. J Vestbo, DMSc FRCP FERS FMedSci
Trustee and Board Secretary

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2022

Opinion

We have audited the financial statements of North West Lung Centre (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement, Company cash flow statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company affairs as at 31 March 2022 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees, who are also directors of the parent charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 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.

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.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2022

Auditors' responsibilities for the audit of the financial statements

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations were as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the trustees and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- undertook substantive testing on a sample basis;
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

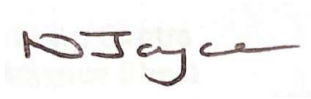
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 auditors.

**Independent Auditor's Report to the Members of North West Lung Centre
For the year ended 31 March 2022**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'NJ Joyce', is written over a light blue rectangular background.

Nicola Joyce ACA, FCCA (Statutory Senior Auditor)
for and on behalf of Warr & Co Limited
Chartered Accountants & Statutory Auditors
76 Manchester Road
Denton
Manchester
M34 3PS

Dated 30 March 2023

North West Lung Centre
Consolidated Statement of Group Financial Activities
(Including a Consolidated Income and Expenditure Account)
For the year ended 31 March 2022

		Unrestricted Funds	
	<i>Note</i>	2022	2021
INCOME		£	£
Donations and legacies	4	17,192	215,253
Other trading activities:			
Trading income	5	17,276,417	15,097,720
Government grants	5	-	442,226
Other income	5	55,200	-
Income from investments	6	147,419	112,593
TOTAL INCOME		17,496,228	15,867,792
EXPENDITURE			
Expenditure on raising funds:			
Trading expenses		11,509,066	11,127,026
Investment management fees		12,540	11,376
Publicity expenditure		-	-
Expenditure on charitable activities:			
Promotion of research	7	1,521,185	808,138
Governance costs	7	21,244	22,011
TOTAL RESOURCES EXPENDED		13,064,035	11,968,551
Net incoming resources before gains/(losses) on investments		4,432,193	3,899,241
Net gains/(losses) on investments		260,997	938,601
Net income before taxation		4,693,190	4,837,842
Taxation	11	359,168	285,438
Net movement in funds		5,052,358	5,123,280
Net movement in funds for the year is attributable to:			
- Parent charity		4,134,555	4,872,988
- Non-controlling interests		917,803	250,292
		5,052,358	5,123,280

**North West Lung Centre
Consolidated Statement of Group Financial Activities
(Including a Consolidated Income and Expenditure Account)
For the year ended 31 March 2022**

	Unrestricted Funds	
	2022	2021
RECONCILIATION OF FUNDS	£	£
Total unrestricted funds brought forward at 1 April 2021	23,516,193	18,583,320
Net movement in funds for the year is attributable to:		
- Parent charity	4,134,555	4,872,988
- Non-controlling interests	917,803	250,292
- Dividends paid to non-controlling interests in subsidiary undertakings	(274,365)	(190,407)
	<u>643,438</u>	<u>59,885</u>
Total unrestricted funds carried forward at 31 March 2022	<u><u>28,294,186</u></u>	<u><u>23,516,193</u></u>

All income and expenditure derives from continuing activities.

The consolidated statement of financial activities includes all gains and losses recognised during the year.

**North West Lung Centre
Consolidated Balance Sheet
For the year ended 31 March 2022**

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	15	4,203,099	4,372,213
Investments	16	7,140,324	4,886,071
		<u>11,343,423</u>	<u>9,258,284</u>
Current assets			
Debtors	17	6,069,362	4,235,179
Cash at bank and in hand		17,016,060	13,961,385
		<u>23,085,422</u>	<u>18,196,564</u>
Creditors			
Amounts falling due within one year	18	5,101,235	3,240,327
Net current assets		<u>17,984,187</u>	<u>14,956,237</u>
Total assets less current liabilities		<u>29,327,610</u>	<u>24,214,521</u>
Creditors			
Amounts falling due after more than one year	19	976,747	620,496
Provisions for liabilities	20	41,479	63,059
Total assets		<u>28,309,384</u>	<u>23,530,966</u>
Unrestricted funds attributable to:			
- Parent charity		27,540,657	23,405,677
- Non-controlling interests		768,727	125,289
		<u>28,309,384</u>	<u>23,530,966</u>

The financial statements were approved and authorised for issue by the Board on 30 March 2023.
Signed on behalf of the board of trustees



Prof. J Vestbo, DMSc FRCP FERS FMedSci
Trustee



Mr A K Webb
Trustee
Company registration number 03936652

**North West Lung Centre
Company Balance Sheet
For the year ended 31 March 2022**

		2022	2021
		£	£
Fixed assets			
Investments	16	882,015	878,825
		882,015	878,825
Current assets			
Debtors	17	636	636
Cash at bank and in hand		2,328,035	1,690,332
		2,328,671	1,690,968
Creditors			
Amounts falling due within one year	18	1,586,165	982,424
Net current assets		742,506	708,544
Total assets less current liabilities		1,624,521	1,587,369
Creditors			
Amounts falling due after more than one year	19	976,747	620,496
Total assets		647,774	966,873
Funds			
Unrestricted funds		647,774	966,873
		647,774	966,873

The Charitable company's net movement in funds for the year was a deficit of £319,099 (2021 £811,567 Surplus).

The financial statements were approved and authorised for issue by the Board on 30 March 2023
Signed on behalf of the board of trustees



Prof. J Vestbo, DMSc FRCP FERS FMedSci
Trustee



Mr A K Webb
Trustee

Company registration number 03936652

The notes on pages 17 to 31 form part of these financial statements.

North West Lung Centre
Consolidated Statement of Changes in Equity
For the year ended 31 March 2022

	Unrestricted funds	Share capital	Share premium	Total controlling interest	Non- controlling interest	Total fund balances
	£	£	£	£	£	£
At 1 April 2021	18,583,317	78	14,697	18,532,688	65,404	18,598,092
Changes in equity						
Net movement in funds	5,123,280	-	-	4,872,988	250,292	5,123,280
Dividends paid to Non-controlling interests	-190,407	-	-	-	-190,407	-190,407
At 31 March 2021	<u>23,516,190</u>	<u>78</u>	<u>14,697</u>	<u>23,405,676</u>	<u>125,289</u>	<u>23,530,965</u>
Changes in equity						
Net movement in funds	5,052,358	-	-	4,134,555	917,803	5,052,358
New shares issued	-	426	-	-	-	426
Dividends paid to Non-controlling interests	-274,365	-	-	-	-274,365	-274,365
At 31 March 2022	<u>28,294,183</u>	<u>504</u>	<u>14,697</u>	<u>27,540,231</u>	<u>768,727</u>	<u>28,309,384</u>

**North West Lung Centre
Company Statement of Changes in Equity
For the year ended 31 March 2022**

	Unrestricted funds	Total
	£	£
At 1 April 2020	155,306	155,306
Changes in equity		
Net movement in funds	811,567	811,567
At 31 March 2021	<u>966,873</u>	<u>966,873</u>
Changes in equity		
Net movement in funds	<u>(319,099)</u>	<u>(319,099)</u>
At 31 March 2022	<u>647,774</u>	<u>647,774</u>

North West Lung Centre
Consolidated Cash Flow Statement
For the year ended 31 March 2022

		2022	2021
		£	£
	<i>Note</i>		
Cash flows from operating activities			
Cash generated from operations	22	5,246,583	4,078,232
Interest paid		-	(192)
Government grants		-	442,226
Tax paid		-	216,390
Net cash from operating activities		5,246,583	4,736,655
Cash flows from investing activities			
Purchase of tangible fixed assets		(74,882)	(37,608)
Purchase of fixed asset investments		(3,445,301)	(1,635,124)
Sale of tangible fixed assets		2,750	0
Sale of fixed asset investments		1,452,045	1,633,491
Interest received		40,929	17,735
Dividends received		106,490	82,523
Net cash from investing activities		(1,917,969)	61,017
Cash flows from financing activities			
Share issued to non-controlling interests		426	-
Dividends paid to non-controlling interests		(274,365)	190,407
Net cash from financing activities		(273,939)	190,407
Increase/(decrease) in cash and cash equivalents		3,054,675	4,607,265
Cash and cash equivalents at beginning of year	23	13,961,385	9,354,120
Cash and cash equivalents at end of year	23	17,016,060	13,961,385

**North West Lung Centre
Company Cash Flow Statement
For the year ended 31 March 2022**

	Note	2022	2021
		£	£
Cash flows from operating activities			
Cash generated from operations	22	(577,785)	(1,065,879)
Tax paid		-	2,930
Net cash from operating activities		(577,785)	(1,062,949)
Cash flows from investing activities			
Purchase of fixed asset investments		(174,805)	(175,122)
Sale of fixed asset investments		171,044	163,987
Interest received		152	691
Dividends received		1,219,097	1,257,227
Net cash from investing activities		1,215,488	1,246,783
Increase/(decrease) in cash and cash equivalents		637,703	183,834
Cash and cash equivalents at beginning of year	23	1,690,322	1,506,498
Cash and cash equivalents at end of year	23	<u>2,328,035</u>	<u>1,690,332</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

1 Statutory Information

North West Lung Centre is a private charitable company, limited by guarantee and registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page one of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report.

2 Accounting policies

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the recommendations of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS 102) (effective 1 January 2019) and UK Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis under the historical cost convention modified to the extent that listed investments are included at fair value.

The financial statements are presented in sterling, which is the functional currency of the company. All amounts stated are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

These financial statements consolidate the results of the Charity and its subsidiaries, Medicines Evaluation Unit Limited and CROS Solutions Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the parent charity is not presented as part of these financial statements as permitted by Section 408 of the Companies Act 2006.

All financial statements are made up to 31 March 2022. All inter-company transactions and balances between group companies are eliminated on consolidation.

Medicines Evaluation Unit Limited and CROS Solutions Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group financial statements and statement of cash flows include the results and cash flows of both companies. The non-controlling interest of each company has been separately disclosed.

Going concern

The trustees have considered the impact of the Covid 19 pandemic in their assessment of the group's financial position. They expect that the companies will continue to create positive cash flows for the foreseeable future and are confident that there is a reasonable expectation that the companies have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Thus, the company has prepared the financial statements on a going concern basis.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Any capital gains or losses arising on the investments form part of the unrestricted fund. Investment management charges and legal advice relating to the investments are charged against the unrestricted fund.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Accounting policies – continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. The costs of each activity are made up of the total of direct costs and a share of other costs including support costs involved in undertaking each activity. Costs are categorised under the following headings:

- Costs of raising funds include costs incurred in attracting voluntary income, managing the charity's investment portfolio and those costs incurred in trading activities that raise funds.
- Expenditure on charitable activities comprises expenditure associated with the funding of research into lung disease and other activities of the Charity as detailed in the Trustees report; and
- Other expenditure represents those items not falling into the categories above and generally relates to Governance costs which include those costs primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short leasehold land and buildings	Over the term of the lease
Medical and office equipment	25% on cost
Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	33% on cost

2 Accounting policies – continued

Investments

Fixed asset Investments are recognised initially at transaction price excluding transaction costs. Subsequently, they are measured at fair value at each reporting date with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

For the purposes of the Charity's balance sheet, the investments in Medicines Evaluation Unit Limited and CROS Solutions Limited are shown at the cost to the charity, which is the share capital of the company.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks, and other short term liquid investments.

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the group and company balance sheets when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Accounting policies – continued

Taxation

Taxation for the year comprises current and deferred tax in respect of the group companies. Tax is recognised in the Consolidated Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The parent company meets the definition of a charitable company and is potentially exempt from taxation in respect of its income and capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover from trading activities

Turnover is recognised at the fair value of the consideration received or receivable for services provided in connection with the operation of clinical trials and related services.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the normal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged as an expense on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The groups subsidiary undertakings contribute to a defined contribution pension scheme. Contributions payable are charged as an expense in the period to which they relate.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

2 Accounting policies – continued

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Costs relating to any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Government grants

Government grants are accounted for on a receivable basis and represent sums received in response to the Covid 19 pandemic including amounts claimed under the Coronavirus Job Retention Scheme.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees and directors are required to make judgements, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Management have used their expectation of the estimated useful lives of each category of assets in order to ensure the appropriate provision is made for depreciation. Details of the estimated useful lives are noted in the accounting policies and the depreciation provision is stated in note 15.

Amounts recoverable under contracts are measured by management who by reference to individual contracts assess the stage of completion by determining the proportion of work completed and costs incurred to ensure that revenue is recognised in the correct accounting period.

4 Income from donations and legacies

	Company	
	2022	2021
	£	£
General donations	<u>17,192</u>	<u>215,253</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

5 Income from other trading activities

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trading activities				
Turnover - clinical trials	17,276,417	15,097,720	-	-
Government grants - Covid 19	-	442,226	-	-
Other income	55,200	-	-	-
	<u>17,331,617</u>	<u>15,539,946</u>	<u>-</u>	<u>-</u>

6 Income from investments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank interest	40,929	17,735	152	691
Income from listed investments	106,490	94,858	16,301	19,240
	<u>147,419</u>	<u>112,593</u>	<u>16,453</u>	<u>19,931</u>

7 Expenditure on charitable activities

	Company	
	2022	2021
	£	£
Promotion of research		
Research grants to institutions	1,514,477	803,095
Grants to individuals	1,026	-
Travel costs	2,395	2,821
Donations	3,287	2,222
	<u>1,521,185</u>	<u>808,138</u>

	Company	
	2022	2021
	£	£
Governance costs		
Legal and professional fees	5,000	8,830
Auditors remuneration	9,900	10,930
Sundries	6,132	2,080
Bank charges	212	171
	<u>21,244</u>	<u>22,011</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

8 Analysis of grants

The majority of grants are made to institutions in furtherance of the charitable objectives as detailed in the Trustees Report. There was also a small grant paid to an individual during the year to 31 March 2022. Most of the grants awarded by the company during the year were to the Manchester University NHS Foundation Trust and The University of Manchester, the total cost of grants awarded includes support costs and is disclosed on the face of the SoFA as Promotion of Research, a breakdown of the costs is included in note 7 to the accounts.

The following institutions received grant support from the charity during the year.

	2022	2021
	£	£
Manchester University NHS Foundation Trust	690,701	668,100
The University of Manchester	822,889	126,488
Others	886	8,507
	<u>1,514,476</u>	<u>803,095</u>

The nature of projects supported during the year are as follows:

	2022	2021
	£	£
Research projects	989,327	194,908
Salary awards	389,374	81,396
Fellowship awards	120,000	-
Purchase of equipment and consumables	15,775	526,791
	<u>1,514,476</u>	<u>803,095</u>

9 Movements in funding commitments

The Charity awards a number of grants, some are awarded and paid out in the same financial year. However, some grants especially those relating to research or funding specific posts are multi-year grants paid over a longer period.

The movement in funding commitments during the year is as follows:

	Current liabilities	Non-current liabilities	Total
	£	£	£
Opening balance at 1 April 2021	945,345	636,987	1,582,332
New funding awards approved during the year	1,067,248	447,228	1,514,476
Movement from non-current to current	107,469	(107,469)	-
Amounts paid during the year	<u>(607,328)</u>	<u>-</u>	<u>(607,328)</u>
Closing balance at 31 March 2022	<u>1,512,734</u>	<u>976,746</u>	<u>2,489,480</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

9 Movements in funding commitments – continued

	Current liabilities	Non-current liabilities	Total
	£	£	£
Opening balance at 1 April 2020	825,635	1,209,869	2,035,504
New funding awards approved during the year	786,604	16,491	803,095
Movement from non-current to current	589,373	(589,373)	-
Amounts paid during the year	<u>(1,256,267)</u>	<u>-</u>	<u>(1,256,267)</u>
Closing balance at 31 March 2021	<u>945,345</u>	<u>636,987</u>	<u>1,582,332</u>

10 Auditors remuneration

	2022	2021
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>6,000</u>	<u>6,000</u>
Fees payable to the charity's auditor in respect of non -audit services not included in the above.	<u>3,900</u>	<u>4,930</u>

11 Taxation

	2022	2021
Current tax:		
UK corporation tax	(337,588)	(285,438)
Deferred tax	<u>(21,580)</u>	<u>-</u>
Tax on net income	<u>(359,168)</u>	<u>(285,438)</u>

UK Corporation tax has been charged at 19% (2021 19%)

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

11 Taxation - continued

Reconciliation of tax credit included in the Consolidated Statement of Financial Activities

	2022	2021
	£	£
Net income before taxation	4,693,190	4,837,843
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 19%)	891,706	919,190
Effects of:		
Expenses not deductible for tax purposes	60,629	(154,198)
Income not taxable for tax purposes	(47,269)	(71,796)
Utilisation of tax losses brought forward	-	(1,101)
Depreciation in excess of capital allowances	17,079	38,671
Research and development tax claim	(1,283,427)	(1,016,205)
Deferred tax adjustment	(21,580)	-
Other tax adjustment	23,694	-
Total tax credit	<u>(359,168)</u>	<u>(285,439)</u>

12 Net income

	2022	Group 2021
	£	£
Net income is stated after charging/(crediting):		
Operating lease rentals	47,841	47,173
Depreciation - owned assets	241,246	248,678
(Profit) /loss on disposal of fixed assets	25,248	-205,365
Interest paid	-	192
Foreign exchange differences	-	3,356

13 Trustees remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021 £Nil).

Travel expenses amounting to £2,395 were reimbursed to one of the trustees during the year (2021: £2,446).

14 Staff costs and employee benefits

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
The average number of employees during the year was as follows:				
Admin	67	47	-	-
Clinical	73	89	-	-
	<u>140</u>	<u>136</u>	<u>-</u>	<u>-</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

14 Staff costs and employee benefits – continued

The total staff costs and employee benefits were as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	5,910,124	4,793,819	-	-
Social security	588,202	465,519	-	-
Other pension costs	220,457	190,100	-	-
	6,718,783	5,449,438	-	-

The number of group employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
£60,001- £70,000	3	3	-	-
£80,001- £90,000	1	2	-	-
£100,001- £110,000	2	1	-	-
£130,001- £140,000	1	-	-	-
£180,001- £190,000	-	1	-	-
£210,001- £220,000	1	-	-	-

The key management personnel of the group comprise the directors of the subsidiary undertakings Medicines Evaluation Unit Limited and CROS Solutions Limited whose employee benefits totalled £388,331 (2021: £314,638).

15 Tangible fixed assets

Group	Short Leasehold	Plant and Machinery	Fixtures and fittings	Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	5,494,933	752,056	506,262	6,959	247,288	7,007,498
Additions	2,750	45,096	27,036	-	-	74,882
Disposals	-	-	(2,750)	-	-	(2,750)
At 31 March 2022	5,497,683	797,152	530,548	6,959	247,288	7,079,630
Depreciation						
At 1 April 2021	1,413,181	627,337	360,710	6,959	227,098	2,635,285
Charge for the year	127,862	58,728	34,546	-	20,110	241,246
At 31 March 2022	1,541,043	686,065	395,256	6,959	247,208	2,876,531
Net book value						
At 31 March 2022	3,956,640	111,087	135,292	-	80	4,203,099
At 31 March 2021	4,081,752	124,719	145,552	-	20,190	4,372,213

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

16 Fixed asset investments

Group	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2021	4,886,070	1	4,886,071
Additions	3,445,301	-	3,445,301
Disposals	(1,477,293)	-	(1,477,293)
Movement in valuation	286,245	-	286,245
At 31 March 2022	7,140,323	1	7,140,324
Market value			
At 31 March 2022	7,140,323	1	7,140,324
At 31 March 2021	4,886,070	1	4,886,071

Company	Shares in group undertakings £	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	1,656	877,169	878,825
Additions	-	174,805	174,805
Disposals	-	(247,778)	(247,778)
Movement in valuation	-	76,163	76,163
At 31 March 2022	1,656	880,359	882,015
Market value			
At 31 March 2022	1,656	880,359	882,015
Market value			
At 31 March 2021	1,656	877,169	878,825

Subsidiary undertakings

The following were subsidiary undertakings of the charity at 31 March 2022.

Name	Registered Office Address	Class of share	Holding
Medicines Evaluation Unit Limited	The Langley Building, Southmoor Road, Wythenshawe, Manchester M23 9QZ	Ordinary 'A'	84.92%
CROS Solutions Limited	2C South Stage Michigan Avenue, Salford, M50 2GY	Ordinary 'A'	69.87%

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

17 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,453,729	2,623,023	-	-
Amounts recoverable on contracts	1,241,021	924,280	-	-
Other debtors	473,681	124,046	-	-
Tax	887,465	549,877	-	-
Prepayments and accrued income	13,466	13,953	636	636
	<u>6,069,362</u>	<u>4,235,179</u>	<u>636</u>	<u>636</u>

18 Creditors – Amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	36,140	121,130	-	-
Amounts owed to participating interests	-	-	-	-
Social security and other taxes	126,025	111,746	-	-
VAT	344,976	33,035	-	-
Other creditors	1,681	1,681	1,681	1,681
Accruals and deferred income	4,592,413	2,972,735	1,584,484	980,743
	<u>5,101,235</u>	<u>3,240,327</u>	<u>1,586,165</u>	<u>982,424</u>

19 Creditors – Amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accruals and deferred income	<u>976,747</u>	<u>620,496</u>	<u>976,747</u>	<u>620,496</u>

20 Provisions for liabilities and charges

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>41,479</u>	<u>63,059</u>

Group	Deferred Tax
	£
Balance as at 1 April 2021	63,059
Credit to Statement of Financial Activities	-21,580
Balance as at 31 March 2022	<u>41,479</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

21 Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than one year	113,737	104,437
Later than one year and not later than five years	249,315	279,875
In more than five years	338,768	391,563
	<u>701,820</u>	<u>775,875</u>

22 Reconciliation of cash generated from operations

Group	2022	2021
	£	£
Net incoming resources before taxation	4,693,191	4,825,506
Depreciation charges	241,246	248,678
(Profit)/loss on disposal of fixed assets	25,248	(216,216)
(Gain)/loss on valuation of investments	(286,245)	(719,259)
Governments grants	-	(442,226)
Finance costs	-	192
Finance income	(147,419)	(100,258)
	4,526,021	3,596,417
Decrease/(increase) in trade and other debtors	(3,894,733)	(442,539)
Increase /(decrease) in trade and other creditors	4,615,295	924,354
Cash generated from operations	<u>5,246,583</u>	<u>4,078,232</u>

Company	2022	2021
	£	£
Net incoming resources before taxation	(319,098)	811,567
(Profit)/loss on disposal of fixed assets	76,734	(10,851)
(Gain)/loss on valuation of investments	(76,163)	(153,610)
Finance income	(1,219,249)	(1,270,253)
	(1,537,776)	(623,147)
Decrease/(increase) in trade and other debtors	-	(636)
Increase /(decrease) in trade and other creditors	959,991	(442,096)
Cash generated from operations	<u>(577,785)</u>	<u>(1,065,879)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

23 Cash and cash equivalents

Group

	2022	2021
	£	£
Year ended 31 March 2022		
Cash and cash equivalents	<u>17,016,060</u>	<u>13,961,385</u>

	2021	2020
	£	£
Year ended 31 March 2021		
Cash and cash equivalents	<u>13,961,385</u>	<u>9,354,120</u>

Company

	2022	2021
	£	£
Year ended 31 March 2022		
Cash and cash equivalents	<u>2,328,035</u>	<u>1,690,332</u>

	2021	2020
	£	£
Year ended 31 March 2021		
Cash and cash equivalents	<u>1,690,332</u>	<u>1,506,498</u>

24 Analysis of changes in net funds

Group

	At 1.4.2021	Cash flow	At 31.3.2022
	£	£	£
Net cash			
Cash at bank and in hand	13,961,385	3,054,675	17,016,060
Total	<u>13,961,385</u>	<u>3,054,675</u>	<u>17,016,060</u>

Company

	At 1.4.2021	Cash flow	At 31.3.2022
	£	£	£
Net cash			
Cash at bank and in hand	1,690,322	637,703	2,328,035
Total	<u>1,690,322</u>	<u>637,703</u>	<u>2,328,035</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

25 Movements in funds

	At 1.4.21	Net movement in funds	At 31.3.2022
	£	£	£
Unrestricted funds			
General funds	23,516,193	4,777,990	28,294,183
Total funds	<u>23,516,193</u>	<u>4,777,990</u>	<u>28,294,183</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General funds	18,116,393	13,338,403	4,777,990
Total funds	<u>18,116,393</u>	<u>13,338,403</u>	<u>4,777,990</u>

Comparatives for movement in funds

	At 1.4.2020	Net movement in funds	At 31.3.2021
	£	£	£
Unrestricted funds			
General funds	18,583,316	4,932,877	23,516,193
Total funds	<u>18,583,316</u>	<u>4,932,877</u>	<u>23,516,193</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General funds	17,091,831	12,158,954	4,932,877
Total funds	<u>17,091,831</u>	<u>12,158,954</u>	<u>4,932,877</u>

26 Non adjusting events after the financial period

The directors of CROS Solutions Limited have approved the purchase of new business premises and initial enquiries are being dealt with by the company's solicitors. The cost of the purchase is expected to be less than £500k and will be funded from existing reserves.

27 Related Party Transactions

Legal fees of £5,000 (2021: £5,000) were paid to Eversley Resolutions, a business operated by Mr J Alcock. The amount was fully paid during the year and there are no amounts outstanding at the balance sheet date.

There are no other related party transactions.

Accounts

Company registration number: 03936652 (England & Wales)
Charity registration number: 1090320

Amended

**North West Lung Centre
Group Strategic Report,
Report of the Trustees and
Consolidated Financial Statements
For the year ended 31 March 2021**

**North West Lung Centre
Consolidated Financial Statements
For the year ended 31 March 2021**

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**North West Lung Centre
Reference and Administrative details
For the year ended 31 March 2021**

Company registration number	03936652
Charity registration number	1090320
Trustees	Professor J Vestbo Mr J H Alcock Dr A M Jones Dr C S Murray Dr Y J Summers (Resigned 27/04/2021) Mr A K Webb Professor M A Woodhead (Resigned 20/10/2020) Professor A Woodcock (Resigned 27/04/2021) Dr H Badri (Appointed 09/12/2020)
Company secretary	Professor J Vestbo
Registered office & principal address	The Langley Building Southmoor Road Wythenshawe Manchester M23 9QZ
Auditors	Warr & Co Limited Chartered Accountants and Statutory Auditors 76 Manchester Road Denton Manchester M34 3PS
Solicitors	Davis Blank Furniss Units 13-15 Brewery Yard Deva City Office Park Trinity Way Manchester M2 7BD
Bankers	Royal Bank of Scotland Plc 467 Wilmslow Road Withington Manchester M20 4AN
Investment managers	Investec Wealth & Investment Management Ltd 2 nd Floor, 3 Hardman Street Spinningfields Manchester M3 3HF

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2021**

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity and the group for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

Trustees of the charity

The trustees who have served during the year and since the year end were as follows:

Professor J Vestbo
Mr J H Alcock
Dr A M Jones
Dr C S Murray
Dr Y J Summers (Resigned 27/04/2021)
Mr A K Webb
Professor M A Woodhead (Resigned 20/10/2020)
Professor A Woodcock (Resigned 27/04/2021)
Dr H Badri (Appointed 09/12/2020)

Objectives and activities

The objects of the charity are:

- To promote research into the causes and treatment of human diseases and disseminate the same to the public.
- To engage in research and development of respiratory medicines and general medicines for use in connection with the treatment referred to above.
- To promote the health and wellbeing of patients with respiratory or related diseases.

Through its close involvement with Manchester University NHS Foundation Trust (Wythenshawe) and in particular the North West Lung Research Centre, the Charity seeks to promote and assist in funding research into lung disease in the North West of England. It seeks to do this by identifying worthwhile and relevant research projects and supporting these financially using funds donated directly as well as those donated by its subsidiary companies.

Public benefit statement

The trustees have considered the Charity Commission guidance on public benefit and consider that the objectives and activities of the charity provide a public benefit in that they contribute to the advancement of public health with a specific focus on the North West of England.

Strategic Report

Achievements and performance

The Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), has had another excellent year and the activities continue to grow. The company's turnover for the year ended 31st March 2021 was £14,709,377 and it has been in a position to donate £1,213,994 to the Charity. The company now operates a thirty-six bed facility following the completion of its £1.2 million extension 9 years ago and will likely expand further at the Wythenshawe site as the existing building continues to experience high occupancy.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2021**

Strategic Report

Achievements and performance

The Charity continues to provide infrastructure support for respiratory research at the North West Lung Research Centre, Manchester University NHS Foundation Trust, the University of Manchester, and from 2017 also the Respiratory Theme of the NIHR Manchester Biomedical Centre, as well as support for projects and posts. Not least the latter has enabled several of the current University faculty to start and/or accelerate their research and has therefore often led to attraction of further substantial funding. With the growing revenue of the Charity's principal subsidiary, Medicines Evaluation Unit Ltd (MEU), there are ongoing discussions on larger strategic research investments (people or equipment) as part of the Charity's future strategy.

The funding awarded this year supports:

1. Continued research using the dedicated research MRI scanner for cardiorespiratory research at Wythenshawe Hospital. The scanner was originally set up with the help of a Charity donation of £500k as well as funding from the British Heart Foundation, as well as a private donor, the University of Manchester, and the Manchester University Hospital NHS Foundation Trust. The scanner provides an excellent basis for collaborative respiratory and cardiac research.

This year the Charity has funded the purchase of an MRI coil for imaging of the lungs (£45,000) and support for specific imaging research projects (£125,000).

2. A laboratory technician and a research manager – who work as part of a team of four technicians providing close to patient sample handling and downstream processing for most of the research projects undertaken in the NWLC including The Manchester Asthma and Allergy Study (MAAS), UBIOPRED, Airprom, Manchester Allergy, Respiratory and Thoracic Surgery Biobank (ManARTS, previously ManRAB), studies conducted within the NIHR Manchester Clinical Research Facility in addition to studies in Lung Cancer Diagnostics and Cystic Fibrosis.

In the last few years seminal COVID studies carried out in collaboration between clinical researchers at Wythenshawe Hospital and researchers at the University's renowned Lydia Becker Institute of Immunology and Inflammation have been carried out here.

3. Pickering Fellowship – The Charity has over the years part funded a senior post for a clinical academic as a bridge to securing an external fellowship. The Charity is currently supporting two such posts. One post has been taken up by a researcher studying neuronal mechanisms underlying occupational asthma; this fellowship is also the first to link research ongoing at both Wythenshawe Hospital and North Manchester Hospital. Another studies proteomics in CF and non-CF bronchiectasis, a frequent area of respiratory medicine that has previously been neglected but which we see as a need and an area we want to expand in Manchester. A third has just started research in interstitial lung diseases.

The Charity is very proud of the fellowships. We believe they are an important way of growing new respiratory academics and previous Pickering fellows have all gone on to do well in respiratory research.

4. A Senior Mesothelioma Clinical Nurse Specialist.

5. Laboratory consumable and equipment support – providing funding for shared consumables, equipment maintenance contracts, repair and replacement. This includes acquisition of a new microscope camera for the Education and Research Centre at Wythenshawe hospital.

6. A research assistant to provide support in the creation and maintenance of databases.

7. An Administrative Financial Coordinator.

Finally, Professors David Denning and Jørgen Vestbo, both previous grant recipients, have again been named Highly Cited Researchers by Web of Science / Clarivate Analytics. The list of Highly Cited Researchers for 2019 contains 6,216 researchers in all fields of research in the world; of these, 436 in Clinical Medicine.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2021**

Strategic Report

Financial review

The group accounts reflect a net increase in funds during the year of £4,872,988. There was a reduction in funds for 2020 of £623,181 resulting from a prior period adjustment as detailed in the notes to the accounts. At the year end the group's unrestricted reserves totalled £23,405,677 (2020: £18,532,688).

There were unrealised gains on the Charity's investment portfolio of £142,952 (2020: losses £13,593) and realised gains of £10,851 (2020: £74,025) on investment disposals. The net gains in the Charity's investment portfolio amounted to £153,803 (2020: £60,432). Investment income at £19,240 compares with £19,407 received in the previous accounting year.

Reserves policy

It is the trustees policy to maintain sufficient reserves to enable the Charity to continue to support studies of lung disease at the University Hospital of South Manchester. In particular, the funding of technicians salaries underpinning the major 10-15 year study of prospective longitudinal epidemiological studies into the development of lung disease. In addition, the trustees seek to maintain unrestricted reserves at a level that will enable them to contribute to other related studies whenever possible.

Investment powers and policy

Under the Articles of Association the trustees have the power to make any investments on behalf of the Charity that they see fit. In considering investment decisions the trustees make due consideration of social, environmental and ethical matters.

Future plans

As a result of the COVID-19 pandemic, very few studies have been able to continue. The Charity has provided non-costed extensions to projects already funded by the Charity, and we have provided costed extensions and allowed changes to project and/or budgets where this has been a consequence of the pandemic.

The trustees are currently involved in ongoing discussions regarding larger strategic research investments (people or equipment) as part of the Charity's future strategy.

Structure, governance and management

Governing Document

North West Lung Centre is a charitable company limited by guarantee, incorporated on 29 February 2000 and registered as a charity on 30 January 2002. The governing document is the company's Memorandum and Articles of Association.

Recruitment and appointment of Trustees

New trustees are appointed following recommendation from the existing trustees. Under the requirements of the Memorandum and Articles of Association, one third of the trustees shall retire by rotation at each Annual General Meeting. If the resulting vacancies are not filled, then the retiring trustees are, providing they are willing to act, deemed to be reappointed unless the meeting resolves not to fill the vacancies.

Trustee induction and training

All existing trustees are familiar with the work of the charity, new trustees are assisted and encouraged to make themselves aware of the operation of the Charity and the context within which it operates. In particular:

- The obligations of trustees and directors.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems of procedures have been established to mitigate the risks the charity faces.

**North West Lung Centre
Trustees Annual Report
For the year ended 31 March 2021**

**Structure, governance and management
Organisation**

The trustees are responsible for the strategic direction and policy of the charity, and the management of the day-to-day activities of the charity. The Articles dictate that there shall be a minimum of three trustees but there is no prescribed maximum.

The liabilities of the members is limited. In winding up each member shall be required to contribute an amount not exceeding £10. Application for membership of the Charity must be approved by the trustees and the number of members shall not be less than two.

Related Parties

The Charity owns 95.5% of the shares capital of Medicines Evaluation Unit Limited and MEU Solutions Limited. Medicines Evaluation Unit Limited is a company principally engaged in evaluating medicines for the pharmaceuticals industry. MEU Solutions Limited is a clinical research organisation.

Statement of trustees' responsibilities

The trustees (who are also the directors of North West Lung Centre for the purposes of company law) are responsible for preparing the Report of the trustees, including the group strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company Law requires the trustees to prepare financial statements for each financial period which show a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

We, the trustees of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board on XX March 2023.

Prof. J Vestbo, DMSc FRCP FERS FMedSci
Trustee and Board Secretary

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2021

Opinion

We have audited the financial statements of North West Lung Centre (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement, Company cash flow statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company affairs as at 31 March 2021 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the trustees, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the trustees, who are also directors of the parent charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 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.

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.

Independent Auditor's Report to the Members of North West Lung Centre For the year ended 31 March 2021

Auditors' responsibilities for the audit of the financial statements

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations were as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the trustees and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- undertook substantive testing on a sample basis;
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 auditors.

**Independent Auditor's Report to the Members of North West Lung Centre
For the year ended 31 March 2021**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Joyce ACA, FCCA(Statutory Senior Auditor)
for and on behalf of Warr & Co Limited
Chartered Accountants & Statutory Auditors
76 Manchester Road
Denton
Manchester
M34 3PS

Dated XX March 2023

North West Lung Centre
Consolidated Statement of Group Financial Activities
(Including a Consolidated Income and Expenditure Account)
For the year ended 31 March 2021

		Unrestricted Funds	
	Note	2021	2020
			as restated
INCOME		£	£
Donations and legacies	4	215,253	7,755
Other trading activities:			
Trading income	5	15,097,720	11,672,424
Government grants	5	442,226	-
Income from investments	6	112,593	71,781
TOTAL INCOME		15,867,792	11,751,960
EXPENDITURE			
Expenditure on raising funds:			
Trading expenses		11,127,026	9,206,669
Investment management fees		11,376	11,028
Publicity expenditure		-	234
Expenditure on charitable activities:			
Promotion of research	7	808,138	2,707,528
Governance costs	7	22,011	30,267
TOTAL RESOURCES EXPENDED		11,968,551	11,955,726
Net incoming resources before gains/(losses) on investments		3,899,241	(203,766)
Net gains/(losses) on investments		938,601	(522,605)
Net income before taxation		4,837,842	(726,371)
Taxation	11	285,438	204,839
Net movement in funds		5,123,280	(521,532)
Net movement in funds for the year is attributable to:			
- Parent charity		4,872,988	(623,181)
- Non-controlling interests		250,292	101,649
		5,123,280	(521,532)

North West Lung Centre
Consolidated Statement of Group Financial Activities
(Including a Consolidated Income and Expenditure Account)
For the year ended 31 March 2021

	Unrestricted Funds	
	2021	2020
		as restated
	£	£
RECONCILIATION OF FUNDS		
Total unrestricted funds brought forward at 1 April 2020	18,583,320	19,275,848
Net movement in funds for the year is attributable to:		
- Parent charity	4,872,988	(623,181)
- Non-controlling interests	250,292	101,649
- Dividends paid to non-controlling interests in subsidiary undertakings	(190,407)	(171,000)
	59,885	(69,351)
Total unrestricted funds carried forward at 31 March 2021	23,516,193	18,583,316

All income and expenditure derives from continuing activities.

The consolidated statement of financial activities includes all gains and losses recognised during the year.

**North West Lung Centre
Consolidated Balance Sheet
For the year ended 31 March 2021**

	Note	2021 £	2020 as restated £
Fixed assets			
Tangible assets	16	4,372,213	4,583,283
Investments	17	4,886,071	3,948,963
		<u>9,258,284</u>	<u>8,532,246</u>
Current assets			
Debtors	18	4,235,179	3,849,128
Cash at bank and in hand		13,961,385	9,354,120
		<u>18,196,564</u>	<u>13,203,248</u>
Creditors			
Amounts falling due within one year	19	3,240,327	1,864,44
Net current assets		<u>14,956,237</u>	<u>11,338,774</u>
Total assets less current liabilities		<u>24,214,521</u>	<u>19,871,020</u>
Creditors			
Amounts falling due after more than one year	20	620,496	1,209,869
Provisions for liabilities	21	63,059	63,059
Total assets		<u>23,530,966</u>	<u>18,598,092</u>
Unrestricted funds attributable to:			
- Parent charity		23,405,677	18,532,688
- Non-controlling interests		125,289	65,404
		<u>23,530,966</u>	<u>18,598,092</u>

The financial statements were approved and authorised for issue by the Board on XX March 2023
Signed on behalf of the board of trustees

Prof. J Vestbo, DMSc FRCP FERS FMedSci
Trustee

Mr A K Webb
Trustee

Company registration number 03936652

**North West Lung Centre
Company Balance Sheet
For the year ended 31 March 2021**

	Note	2021 £	2020 as restated £
Fixed assets			
Investments	17	878,825	703,229
		<u>878,825</u>	<u>703,229</u>
Current assets			
Debtors	18	636	2,930
Cash at bank and in hand		1,690,332	1,506,498
		<u>1,690,968</u>	<u>1,509,428</u>
Creditors			
Amounts falling due within one year	19	982,424	847,482
		<u>708,544</u>	<u>661,946</u>
Net current assets			
		<u>1,587,369</u>	<u>1,365,175</u>
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	20	620,496	1,209,869
		<u>966,873</u>	<u>155,306</u>
Total assets			
		<u>966,873</u>	<u>155,306</u>
Funds			
Unrestricted funds		966,873	155,306
		<u>966,873</u>	<u>155,306</u>

The Charitable company's net movement in funds for the year was a surplus of £811,567 (2020 deficit £2,628,621).

The financial statements were approved and authorised for issue by the Board on XX March 2023
Signed on behalf of the board of trustees

Prof. J Vestbo, DMSc FRCP FERS FMedSci
Trustee

Mr A K Webb
Trustee

Company registration number 03936652

North West Lung Centre
Consolidated Statement of Changes in Equity
For the year ended 31 March 2021

	Unrestricted funds	Share capital	Share premium	Total controlling interest	Non-controlling interest	Total fund balances
	£	£	£	£	£	£
At 1 April 2019	19,275,848	78	14,697	19,155,868	134,755	19,290,623
Changes in equity						
Net movement in funds	1,380,034	-	-	1,285,215	94,819	1,380,034
Dividends paid to Non-controlling interests	-171,000	-	-	-	-171,000	-171,000
At 31 March 2020	<u>1,209,034</u>	<u>78</u>	<u>14,697</u>	<u>20,441,083</u>	<u>58,574</u>	<u>20,499,657</u>
Prior year adjustment	-1,901,565	-	-	-1,908,395	6,830	-1,901,565
As restated	<u>18,583,317</u>	<u>78</u>	<u>14,697</u>	<u>18,532,688</u>	<u>65,404</u>	<u>18,598,092</u>
Changes in equity						
Net movement in funds	5,123,280	-	-	4,872,988	250,292	5,123,280
Dividends paid to Non-controlling interests	-190,407	-	-	-	-190,407	-190,407
At 31 March 2021	<u>23,516,190</u>	<u>78</u>	<u>14,697</u>	<u>23,405,676</u>	<u>125,289</u>	<u>23,530,965</u>

**North West Lung Centre
Company Statement of Changes in Equity
For the year ended 31 March 2021**

	Unrestricted funds £	Total £
At 1 April 2019	2,783,927	2,783,927
Changes in equity		
Net movement in funds	<u>(727,056)</u>	<u>(727,056)</u>
At 31 March 2020	2,056,871	2,056,871
Prior year adjustment	<u>(1,901,564)</u>	<u>(1,901,564)</u>
As restated	<u><u>155,306</u></u>	<u><u>155,306</u></u>
Changes in equity		
Net movement in funds	<u>811,567</u>	<u>811,567</u>
At 31 March 2021	<u><u>966,873</u></u>	<u><u>966,873</u></u>

**North West Lung Centre
Consolidated Cash Flow Statement
For the year ended 31 March 2021**

	Note	2021 £	2020 as restated £
Cash flows from operating activities			
Cash generated from operations	23	4,078,232	(327,226)
Interest paid		(192)	-
Government grants		442,226	-
Tax paid		216,390	-
Net cash from operating activities		4,736,655	327,226
Cash flows from investing activities			
Purchase of tangible fixed assets		(37,608)	(260,249)
Purchase of fixed asset investments		(1,635,124)	(4,468,099)
Sale of fixed asset investments		1,633,491	786,395
Interest received		17,735	34,585
Dividends received		82,523	25,674
Net cash from investing activities		61,017	(3,881,694)
Cash flows from financing activities			
Dividends paid to non-controlling interests		(190,407)	(171,000)
Increase/(decrease) in cash and cash equivalents		4,607,265	(3,725,468)
Cash and cash equivalents at beginning of year	24	9,354,120	13,079,588
Cash and cash equivalents at end of year	24	13,961,385	9,354,120

**North West Lung Centre
Company Cash Flow Statement
For the year ended 31 March 2021**

	Note	2021 £	2020 as restated £
Cash flows from operating activities			
Cash generated from operations	23	(1,065,879)	(482,388)
Tax paid		2,930	-
Net cash from operating activities		(1,062,949)	(482,388)
Cash flows from investing activities			
Purchase of fixed asset investments		(175,122)	(158,108)
Sale of fixed asset investments		163,987	172,374
Interest received		691	3,989
Dividends received		1,257,227	182,715
Net cash from investing activities		1,246,783	200,970
Increase/(decrease) in cash and cash equivalents		183,834	(281,418)
Cash and cash equivalents at beginning of year	24	1,506,498	1,787,916
Cash and cash equivalents at end of year	24	1,690,332	1,506,498

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

1 Statutory Information

North West Lung Centre is a private charitable company, limited by guarantee and registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page one of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report.

2 Accounting policies

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the recommendations of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (FRS 102) (effective 1 January 2019) and UK Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis under the historical cost convention modified to the extent that listed investments are included at fair value.

The financial statements are presented in sterling, which is the functional currency of the company. All amounts stated are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

These financial statements consolidate the results of the Charity and its subsidiaries, Medicines Evaluation Unit Limited and MEU Solutions Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the parent charity is not presented as part of these financial statements as permitted by Section 408 of the Companies Act 2006.

All financial statements are made up to 31 March 2021. All inter-company transactions and balances between group companies are eliminated on consolidation.

Medicines Evaluation Unit Limited and MEU Solutions Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group financial statements and statement of cash flows include the results and cash flows of both companies. The 4.5% non-controlling interest of each company has been separately disclosed.

Going concern

The trustees have considered the impact of the Covid 19 pandemic in their assessment of the group's financial position. They expect that the companies will continue to create positive cash flows for the foreseeable future and are confident that there is a reasonable expectation that the companies have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Thus, the company has prepared the financial statements on a going concern basis.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Any capital gains or losses arising on the investments form part of the unrestricted fund. Investment management charges and legal advice relating to the investments are charged against the unrestricted fund.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

2 Accounting policies – continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. The costs of each activity are made up of the total of direct costs and a share of other costs including support costs involved in undertaking each activity. Costs are categorised under the following headings:

- Costs of raising funds include costs incurred in attracting voluntary income, managing the charity's investment portfolio and those costs incurred in trading activities that raise funds.
- Expenditure on charitable activities comprises expenditure associated with the funding of research into lung disease and other activities of the Charity as detailed in the Trustees report; and
- Other expenditure represents those items not falling into the categories above and generally relates to Governance costs which include those costs primarily associated with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Short leasehold land and buildings	Over the term of the lease
Medical and office equipment	25% on cost
Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Computer equipment	33% on cost

2 Accounting policies – continued

Investments

Fixed asset Investments are recognised initially at transaction price excluding transaction costs. Subsequently, they are measured at fair value at each reporting date with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

For the purposes of the Charity's balance sheet, the investments in Medicines Evaluation Unit Limited and MEU Solutions Limited are shown at the cost to the charity, which is the share capital of the company.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks, and other short term liquid investments.

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the group and company balance sheets when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

2 Accounting policies – continued

Taxation

Taxation for the year comprises current and deferred tax in respect of the group companies. Tax is recognised in the Consolidated Statement of Financial Activities, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The parent company meets the definition of a charitable company and is potentially exempt from taxation in respect of its income and capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover from trading activities

Turnover is recognised at the fair value of the consideration received or receivable for services provided in connection with the operation of clinical trials and related services.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the normal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged as an expense on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The groups subsidiary undertakings contribute to a defined contribution pension scheme. Contributions payable are charged as an expense in the period to which they relate.

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

2 Accounting policies – continued

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Costs relating to any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Government grants

Government grants are accounted for on a receivable basis and represent sums received in response to the Covid 19 pandemic including amounts claimed under the Coronavirus Job Retention Scheme.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees and directors are required to make judgements, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Management have used their expectation of the estimated useful lives of each category of assets in order to ensure the appropriate provision is made for depreciation. Details of the estimated useful lives are noted in the accounting policies and the depreciation provision is stated in note 16.

Amounts recoverable under contracts are measured by management who by reference to individual contracts assess the stage of completion by determining the proportion of work completed and costs incurred to ensure that revenue is recognised in the correct accounting period.

4 Income from donations and legacies

	Company	
	2021	2020
	£	£
General donations	<u>215,253</u>	<u>7,755</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

5 Income from other trading activities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trading activities				
Turnover - clinical trials	15,097,720	11,672,424	-	-
Government grants - Covid 19	442,226	-	-	-
	<u>15,539,946</u>	<u>11,672,424</u>	<u>-</u>	<u>-</u>

6 Income from investments

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank interest	17,735	34,585	691	3,989
Income from listed investments	94,858	37,196	19,240	-
	<u>112,593</u>	<u>71,781</u>	<u>19,931</u>	<u>3,989</u>

7 Expenditure on charitable activities

	Company	
	2021	2020
	£	£
Promotion of research		
Research grants to institutions	803,095	2,682,006
Travel costs	2,821	12,243
Donations	2,222	13,279
	<u>808,138</u>	<u>2,707,528</u>

	Company	
	2021	2020
	£	£
Governance costs		
Legal and professional fees	8,829	16,712
Auditors remuneration	10,930	5,700
Sundries	2,080	7,674
Bank charges	171	181
	<u>22,010</u>	<u>30,267</u>

North West Lung Centre
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8 Analysis of grants

All grants are made to institutions in furtherance of the charitable objectives as detailed in the Trustees Report. The majority of grant support was awarded to the Manchester University NHS Foundation Trust and The University of Manchester, the total cost of grants awarded includes support costs and is disclosed on the face of the SoFA as Promotion of Research, a breakdown of the costs is included in note 7 to the accounts.

The following institutions received grant support from the charity during the year.

	2021	2020
	£	£
Manchester University NHS Foundation Trust	668,100	725,534
The University of Manchester	126,488	1,627,316
The University Hospital of South Manchester	-	148,527
Pennine Acute Hospital NHS Trust	-	157,496
Others	8,507	23,133
	<u>803,095</u>	<u>2,682,006</u>

The nature of projects supported during the year are as follows:

	2021
	£
Research projects	194,908
Salary funding awards	81,396
Purchase of equipment and consumables	526,791
	<u>803,095</u>

9 Movements in funding commitments

The Charity awards a number of grants, some are awarded and paid out in the same financial year. However, some grants especially those relating to research or funding specific posts are multi-year grants paid over a longer period.

The movement in funding commitments during the year is as follows:

	Current liabilities	Non-current liabilities	Total
	£	£	£
Opening balance at 1 April 2020	825,635	1,209,869	2,035,504
New funding awards approved during the year	786,604	16,491	803,095
Movement from non-current to current	589,373	(589,373)	-
Amounts paid during the year	<u>(1,256,267)</u>		<u>(1,256,267)</u>
Closing balance at 31 March 2021	<u>945,345</u>	<u>636,987</u>	<u>1,582,332</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
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10 Auditors remuneration

	2021	2020
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>6,000</u>	<u>5,700</u>
Fees payable to the charity's auditor in respect of non -audit services not included in the above.	<u>4,930</u>	<u>-</u>

11 Taxation

	2021	2020
	£	as restated £
Current tax:		
UK corporation tax	(285,439)	(264,439)
Adjustments in respect of prior periods	-	(3,459)
Total current tax	<u>(285,439)</u>	<u>(267,898)</u>
Deferred tax	-	63,059
Tax on profits	<u>(285,439)</u>	<u>(204,839)</u>

UK Corporation tax has been charged at 19% (2020 19%)

Reconciliation of total tax credit included in the Consolidated Statement of Financial Activities

	2021	2020
	£	as restated £
Net income before taxation	4,837,843	(726,371)
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 19%)	919,190	(138,010)
Effects of:		
Expenses not deductible for tax purposes	(154,198)	582,500
Income not taxable for tax purposes	(71,796)	(1,191)
Utilisation of tax losses brought forward	(1,101)	(755)
Capital allowances in excess of depreciation	-	(6,507)
Depreciation in excess of capital allowances	38,671	-
Adjustments to tax charge in respect of previous periods	-	(3,459)
Research and development tax claim	(1,016,205)	(700,476)
Deferred tax adjustment	-	63,059
Total tax credit	<u>(285,439)</u>	<u>(204,839)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
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12 Net income

	Group	
Net income is stated after charging/(crediting):	2021	2020
	£	£
Operating lease rentals	47,173	37,674
Depreciation - owned assets	248,678	223,781
(Profit) /loss on disposal of fixed assets	-205,365	11,411
Interest paid	192	-
Foreign exchange differences	3,356	-

13 Trustees remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020 £Nil).

Travel expenses amounting to £2,446 were reimbursed to one of the trustees during the year (2020: £11,943 to two trustees).

14 Staff costs and employee benefits

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
The average number of employees during the year was as follows:				
Admin	59	47	-	-
Clinical	63	89	-	-
	122	136		

The total staff costs and employee benefits were as follows:

Wages and salaries	4,793,819	4,720,606	-	-
Social security	465,519	517,832	-	-
Other pension costs	190,100	198,412	-	-
	5,449,438	5,436,850	-	-

The number of group employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
£60,001- £70,000	3	3	-	-
£80,001- £90,000	1	2	-	-
£100,001- £110,000	2	1	-	-
£130,001- £140,000	1	-	-	-
£140,001- £150,000	-	1	-	-
£180,001- £190,000	1	1	-	-

North West Lung Centre
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14 Staff costs and employee benefits - continued

The key management personnel of the group comprise the directors of the subsidiary undertakings Medicines Evaluation Unit Limited and MEU Solutions Limited whose employee benefits totalled £314,638 (2020: £331,077).

15 Prior year adjustment

In accordance with the accounting treatment required under FRS 102 the comparative prior year sum of £151,786 in respect of dividends received from a subsidiary company previously reported as donations received in the Charity accounts have been restated and are now included as income from investments.

Expenses amounting to £55,157 relating to the year ended 31 March 2020 have been accrued at the prior period balance sheet date. This has resulted in a reduction in net income and the unrestricted fund balance at 31 March 2020. Other items of expenditure recorded in the Statement of Financial Activities have been re-categorised in respect of the year to 31 March 2020.

Obligations in respect of awards approved but unpaid at 31 March 2020 have been recognised in the prior period balance sheet. This has resulted in an increase of £1,846,408 in creditors at 31 March 2020.

16 Tangible fixed assets

Group	Short Leasehold £	Plant and Machinery £	Fixtures and fittings £	Motor Vehicles £	Computer equipment £	Total £
Cost						
At 1 April 2020	5,494,933	932,748	468,654	6,959	247,288	7,150,582
Additions	-	-	37,608	-	-	37,608
Disposals	-	(180,692)	-	-	-	(180,692)
At 31 March 2021	5,494,933	752,056	506,262	6,959	247,288	7,007,498
Depreciation						
At 1 April 2020	1,285,406	752,682	333,164	6,959	189,088	2,567,299
Charge for the year	127,775	55,347	27,546	-	38,010	248,678
Eliminated on disposal	-	(180,692)	-	-	-	(180,692)
At 31 March 2021	1,413,181	627,337	360,710	6,959	227,098	2,635,285
Net book value						
At 31 March 2021	4,081,752	124,719	145,552	-	20,190	4,372,213
At 31 March 2020	4,209,527	180,066	135,490	-	58,200	4,583,283

North West Lung Centre
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16 Tangible fixed assets - continued

Company	Computer equipment £
Cost	
At 1 April 2020	180,692
Disposals	<u>(180,692)</u>
At 31 March 2021	<u>-</u>
Depreciation	
At 1 April 2020	180,692
Eliminated on disposal	<u>(180,692)</u>
At 31 March 2021	<u>-</u>
Net book value	
At 31 March 2021	<u>-</u>
At 31 March 2020	<u>-</u>

17 Fixed asset investments

Group	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2020	3,948,963	-	3,948,963
Additions	1,635,123	1	1,635,124
Disposals	(1,417,275)	-	(1,417,275)
Movement in valuation	<u>719,259</u>	<u>-</u>	<u>719,259</u>
At 31 March 2021	<u>4,886,070</u>	<u>1</u>	<u>4,166,812</u>
Market value			
At 31 March 2021	<u>4,886,070</u>	<u>1</u>	<u>4,886,071</u>
At 31 March 2020	<u>3,948,963</u>	<u>-</u>	<u>3,948,963</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
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17 Fixed asset investments - continued

Company	Shares in group undertakings £	Listed investments £	Total £
Cost or valuation			
At 1 April 2020	1,656	701,573	703,229
Additions	-	175,122	175,122
Disposals	-	(153,136)	(153,136)
Movement in valuation	-	153,610	153,610
At 31 March 2021	1,656	877,169	725,215
Market value			
At 31 March 2021	1,656	877,169	878,825
Market value			
At 31 March 2020	1,656	701,573	703,229

Subsidiary undertakings

The following were subsidiary undertakings of the charity at 31 March 2021.

Name	Registered Office Address	Class of share	Holding
Medicines Evaluation Unit Limited	The Langley Building, Southmoor Road, Wythenshawe, Manchester M23 9QZ	Ordinary 'A'	95.50%
MEU Solutions Limited	The Langley Building, Southmoor Road, Wythenshawe, Manchester M23 9QZ	Ordinary 'A'	95.50%

18 Debtors

	Group		Company	
	2021	2020	2021	2020
		As restated		As restated
	£	£	£	£
Trade debtors	2,623,023	2,668,918	-	-
Amounts recoverable on contracts	924,280	550,548	-	-
Other debtors	124,046	107,983	-	-
Tax	549,877	480,829	-	2,930
Prepayments and accrued income	13,953	40,850	636	-
	4,235,179	3,849,128	636	2,930

North West Lung Centre
Notes to the Consolidated Financial Statements
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19 Creditors – Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
		As		As
	£	restated	£	restated
		£		£
Trade creditors	121,130	318,689	-	-
Amounts owed to participating interests	-	-	-	12,335
Social security and other taxes	111,746	105,858	-	-
VAT	33,035	-	-	-
Other creditors	1,681	1,681	1,681	1,681
Accruals and deferred income	3,593,233	1,438,247	980,743	833,468
	<u>3,860,825</u>	<u>1,864,475</u>	<u>982,424</u>	<u>847,484</u>

20 Creditors – Amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
		As		As
	£	restated	£	restated
		£		£
Accruals and deferred income	<u>620,496</u>	<u>1,209,869</u>	<u>620,496</u>	<u>1,209,869</u>

21 Provisions for liabilities and charges

	Group	
	2021	2020
		as restated
	£	£
Deferred tax		
Accelerated capital allowances	<u>63,059</u>	<u>63,059</u>

Group	Deferred Tax
	£
Balance as at 1 April 2020	<u>63,059</u>
Balance as at 31 March 2021	<u>63,059</u>

North West Lung Centre
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22 Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than one year	104,437	92,140
Later than one year and not later than five years	2,798,758	247,744
In more than five years	391,563	444,358
	<u>3,294,758</u>	<u>784,242</u>

23 Reconciliation of cash generated from operations

Group	2021	2020
		as restated
	£	£
Net incoming resources before taxation	4,825,506	(714,847)
Depreciation charges	248,678	223,781
Profit on disposal of fixed assets	(216,216)	(64,103)
(Gain)/loss on valuation of investments	(719,259)	586,708
Governments grants	(442,226)	-
Finance costs	192	-
Finance income	(100,258)	(71,781)
	3,596,417	(40,242)
Decrease/(increase) in trade and other debtors	(442,539)	(1,095,848)
Increase /(decrease) in trade and other creditors	924,354	(1,463,316)
Cash generated from operations	<u>4,078,232</u>	<u>327,226</u>

Company	2021	2020
		as restated
	£	£
Net incoming resources before taxation	811,567	(2,628,621)
Profit on disposal of fixed assets	(10,851)	(75,514)
(Gain)/loss on valuation of investments	(153,610)	149,539
Finance income	(1,270,253)	(186,704)
	(623,147)	(2,741,300)
Decrease/(increase) in trade and other debtors	(636)	370,074
Increase /(decrease) in trade and other creditors	(442,096)	1,888,838
Cash generated from operations	<u>(1,065,879)</u>	<u>(482,388)</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
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24 Cash and cash equivalents

Group	2021	2020 as restated
Year ended 31 March 2021	£	£
Cash and cash equivalents	<u>13,961,385</u>	<u>9,354,120</u>
	2021	2020 as restated
Year ended 31 March 2020	£	£
Cash and cash equivalents	<u>9,354,120</u>	<u>13,079,588</u>
Company	2021	2020 as restated
Year ended 31 March 2021	£	£
Cash and cash equivalents	<u>1,690,332</u>	<u>1,506,498</u>
	2021	2020 as restated
Year ended 31 March 2020	£	£
Cash and cash equivalents	<u>1,506,498</u>	<u>1,787,916</u>

25 Analysis of changes in net funds

Group	At 1.4.2019	Cash flow	At 31.3.2020
Net cash	£	£	£
Cash at bank and in hand	9,354,120	4,607,265	13,961,385
Total	<u>9,354,120</u>	<u>4,607,265</u>	<u>13,961,385</u>
Company	At 1.4.2019	Cash flow	At 31.3.2020
Net cash	£	£	£
Cash at bank and in hand	1,506,498	183,834	1,690,332
Total	<u>1,506,498</u>	<u>183,834</u>	<u>1,690,332</u>

North West Lung Centre
Notes to the Consolidated Financial Statements
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26 Movements in funds

	At 1.4.20	Net movement in funds	At 31.3.2021
	£	£	£
Unrestricted funds			
General funds	18,583,316	4,932,877	23,516,193
Total funds	18,583,316	4,932,877	23,516,193

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General funds	17,091,831	12,158,9584	4,932,877
Total funds	17,091,831	12,158,954	4,932,877

Comparatives for movement in funds

	At 1.4.2019	Net movement in funds	At 31.3.2020
	£	£	£
Unrestricted funds			
General funds	19,275,848	(692,532)	18,583,316
Total funds	19,275,848	(692,532)	18,583,316

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General funds	11,956,799	12,649,331	(692,532)
Total funds	11,956,799	12,649,331	(692,532)

27 Non adjusting events after the financial period

The directors of MEU Solutions Limited have approved the purchase of new business premises and initial enquiries are being dealt with by the company's solicitors. The cost of the purchase is expected to be less than £500k and will be funded from existing reserves.

28 Related Party Transactions

Legal fees of £5,000 (2020: £5,000) were paid to Eversley Resolutions, a business operated by Mr J Alcock. The amount was fully paid during the year and there are no amounts outstanding at the balance sheet date.

There are no other related party transactions.