

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	
	<i>Note</i>	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			
		<u>966,873</u>	<u>155,306</u>
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
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

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
For the year ended 31 March 2021

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
For the year ended 31 March 2021

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
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

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
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

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>-</u></u>
Depreciation	
At 1 April 2020	180,692
Eliminated on disposal	<u>(180,692)</u>
At 31 March 2021	<u><u>-</u></u>
Net book value	
At 31 March 2021	<u><u>-</u></u>
At 31 March 2020	<u><u>-</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><u>4,886,070</u></u>	<u><u>1</u></u>	<u><u>4,166,812</u></u>
Market value			
At 31 March 2021	<u><u>4,886,070</u></u>	<u><u>1</u></u>	<u><u>4,886,071</u></u>
At 31 March 2020	<u><u>3,948,963</u></u>	<u><u>-</u></u>	<u><u>3,948,963</u></u>

North West Lung Centre
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

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
For the year ended 31 March 2021

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
Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

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
For the year ended 31 March 2021

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
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For the year ended 31 March 2021

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.