

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**

<b>Company registration number</b>	03936652
<b>Charity registration number</b>	1090320
<b>Trustees</b>	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
<b>Company secretary</b>	Professor J Vestbo
<b>Registered office &amp; principal address</b>	The Langley Building Southmoor Road Wythenshawe Manchester M23 9QZ
<b>Auditors</b>	Warr & Co Limited Chartered Accountants and Statutory Auditors 76 Manchester Road Denton Manchester M34 3PS
<b>Solicitors</b>	Davis Blank Furniss Units 13-15 Brewery Yard Deva City Office Park Trinity Way Manchester M2 7BD
<b>Bankers</b>	Royal Bank of Scotland Plc 467 Wilmslow Road Withington Manchester M20 4AN
<b>Investment managers</b>	Investec Wealth & Investment Management Ltd 2 <sup>nd</sup> 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 31<sup>st</sup> 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.

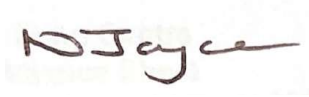
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained 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](http://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**

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

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

	<b>Unrestricted Funds</b>	
	<b>2022</b>	<b>2021</b>
<b>RECONCILIATION OF FUNDS</b>	<b>£</b>	<b>£</b>
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**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
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>
<b>Current assets</b>			
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>
<b>Creditors</b>			
Amounts falling due within one year	18	5,101,235	3,240,327
<b>Net current assets</b>		<u>17,984,187</u>	<u>14,956,237</u>
<b>Total assets less current liabilities</b>		<u>29,327,610</u>	<u>24,214,521</u>
<b>Creditors</b>			
Amounts falling due after more than one year	19	976,747	620,496
<b>Provisions for liabilities</b>	20	41,479	63,059
<b>Total assets</b>		<u>28,309,384</u>	<u>23,530,966</u>
<b>Unrestricted funds attributable to:</b>			
- 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**

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments	16	<b>882,015</b>	878,825
		<b>882,015</b>	878,825
<b>Current assets</b>			
Debtors	17	<b>636</b>	636
Cash at bank and in hand		<b>2,328,035</b>	1,690,332
		<b>2,328,671</b>	1,690,968
<b>Creditors</b>			
Amounts falling due within one year	18	<b>1,586,165</b>	982,424
<b>Net current assets</b>		<b>742,506</b>	708,544
<b>Total assets less current liabilities</b>		<b>1,624,521</b>	1,587,369
<b>Creditors</b>			
Amounts falling due after more than one year	19	<b>976,747</b>	620,496
<b>Total assets</b>		<b>647,774</b>	966,873
<b>Funds</b>			
Unrestricted funds		<b>647,774</b>	966,873
		<b>647,774</b>	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**

	<b>Unrestricted funds</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Total controlling interest</b>	<b>Non- controlling interest</b>	<b>Total fund balances</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2021</b>	18,583,317	78	14,697	18,532,688	65,404	18,598,092
<b>Changes in equity</b>						
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
<b>At 31 March 2021</b>	<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>
<b>Changes in equity</b>						
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
<b>At 31 March 2022</b>	<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**

	<b>Unrestricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 1 April 2020</b>	155,306	155,306
<b>Changes in equity</b>		
Net movement in funds	811,567	811,567
<b>At 31 March 2021</b>	<u>966,873</u>	<u>966,873</u>
<b>Changes in equity</b>		
Net movement in funds	<u>(319,099)</u>	<u>(319,099)</u>
<b>At 31 March 2022</b>	<u><b>647,774</b></u>	<u><b>647,774</b></u>

**North West Lung Centre**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 March 2022**

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<i>Note</i>		
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	<b>5,246,583</b>	4,078,232
Interest paid		-	(192)
Government grants		-	442,226
Tax paid		-	216,390
Net cash from operating activities		<b>5,246,583</b>	4,736,655
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(74,882)</b>	(37,608)
Purchase of fixed asset investments		<b>(3,445,301)</b>	(1,635,124)
Sale of tangible fixed assets		<b>2,750</b>	0
Sale of fixed asset investments		<b>1,452,045</b>	1,633,491
Interest received		<b>40,929</b>	17,735
Dividends received		<b>106,490</b>	82,523
Net cash from investing activities		<b>(1,917,969)</b>	61,017
<b>Cash flows from financing activities</b>			
Share issued to non-controlling interests		<b>426</b>	-
Dividends paid to non-controlling interests		<b>(274,365)</b>	190,407
Net cash from financing activities		<b>(273,939)</b>	190,407
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>3,054,675</b>	4,607,265
<b>Cash and cash equivalents at beginning of year</b>	23	<b>13,961,385</b>	9,354,120
<b>Cash and cash equivalents at end of year</b>	23	<b>17,016,060</b>	13,961,385

**North West Lung Centre  
Company Cash Flow Statement  
For the year ended 31 March 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	<b>(577,785)</b>	(1,065,879)
Tax paid		-	2,930
Net cash from operating activities		<b>(577,785)</b>	(1,062,949)
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments		<b>(174,805)</b>	(175,122)
Sale of fixed asset investments		<b>171,044</b>	163,987
Interest received		<b>152</b>	691
Dividends received		<b>1,219,097</b>	1,257,227
Net cash from investing activities		<b>1,215,488</b>	1,246,783
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>637,703</b>	183,834
<b>Cash and cash equivalents at beginning of year</b>	23	<b>1,690,322</b>	1,506,498
<b>Cash and cash equivalents at end of year</b>	23	<b><u>2,328,035</u></b>	<b><u>1,690,332</u></b>

**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.

## **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**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trading activities</b>				
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**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Promotion of research</b>		
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>

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Governance costs</b>		
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.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Manchester University NHS Foundation Trust	<b>690,701</b>	668,100
The University of Manchester	<b>822,889</b>	126,488
Others	<b>886</b>	8,507
	<b><u>1,514,476</u></b>	<b><u>803,095</u></b>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Research projects	<b>989,327</b>	194,908
Salary awards	<b>389,374</b>	81,396
Fellowship awards	<b>120,000</b>	-
Purchase of equipment and consumables	<b>15,775</b>	526,791
	<b><u>1,514,476</u></b>	<b><u>803,095</u></b>

**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:

	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Opening balance at 1 April 2021</b>	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>
<b>Closing balance at 31 March 2022</b>	<b><u>1,512,734</u></b>	<b><u>976,746</u></b>	<b><u>2,489,480</u></b>

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

**9 Movements in funding commitments – continued**

	<b>Current liabilities</b>	<b>Non-current liabilities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Opening balance at 1 April 2020</b>	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>
<b>Closing balance at 31 March 2021</b>	<b><u>945,345</u></b>	<b><u>636,987</u></b>	<b><u>1,582,332</u></b>

**10 Auditors remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u><b>6,000</b></u>	<u><b>6,000</b></u>
Fees payable to the charity's auditor in respect of non -audit services not included in the above.	<u><b>3,900</b></u>	<u><b>4,930</b></u>

**11 Taxation**

	<b>2022</b>	<b>2021</b>
<b>Current tax:</b>		
UK corporation tax	<b>(337,588)</b>	(285,438)
Deferred tax	<u><b>(21,580)</b></u>	<u>-</u>
Tax on net income	<u><b>(359,168)</b></u>	<u><b>(285,438)</b></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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income before taxation	<b>4,693,190</b>	4,837,843
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 19%)	<b>891,706</b>	919,190
Effects of:		
Expenses not deductible for tax purposes	<b>60,629</b>	(154,198)
Income not taxable for tax purposes	<b>(47,269)</b>	(71,796)
Utilisation of tax losses brought forward	-	(1,101)
Depreciation in excess of capital allowances	<b>17,079</b>	38,671
Research and development tax claim	<b>(1,283,427)</b>	(1,016,205)
Deferred tax adjustment	<b>(21,580)</b>	-
Other tax adjustment	<b>23,694</b>	-
Total tax credit	<b><u>(359,168)</u></b>	<b><u>(285,439)</u></b>

**12 Net income**

	<b>2022</b>	<b>Group 2021</b>
	<b>£</b>	<b>£</b>
Net income is stated after charging/(crediting):		
Operating lease rentals	<b>47,841</b>	47,173
Depreciation - owned assets	<b>241,246</b>	248,678
(Profit) /loss on disposal of fixed assets	<b>25,248</b>	-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**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The average number of employees during the year was as follows:				
Admin	67	47	-	-
Clinical	73	89	-	-
	<b><u>140</u></b>	<b><u>136</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**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:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	5,910,124	4,793,819	-	-
Social security	588,202	465,519	-	-
Other pension costs	220,457	190,100	-	-
	<b>6,718,783</b>	<b>5,449,438</b>	<b>-</b>	<b>-</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
£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**

<b>Group</b>	<b>Short Leasehold</b>	<b>Plant and Machinery</b>	<b>Fixtures and fittings</b>	<b>Motor Vehicles</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
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)
<b>At 31 March 2022</b>	<b>5,497,683</b>	<b>797,152</b>	<b>530,548</b>	<b>6,959</b>	<b>247,288</b>	<b>7,079,630</b>
<b>Depreciation</b>						
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
<b>At 31 March 2022</b>	<b>1,541,043</b>	<b>686,065</b>	<b>395,256</b>	<b>6,959</b>	<b>247,208</b>	<b>2,876,531</b>
<b>Net book value</b>						
<b>At 31 March 2022</b>	<b>3,956,640</b>	<b>111,087</b>	<b>135,292</b>	<b>-</b>	<b>80</b>	<b>4,203,099</b>
At 31 March 2021	4,081,752	124,719	145,552	-	20,190	4,372,213

**North West Lung Centre**  
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**16 Fixed asset investments**

<b>Group</b>	<b>Listed investments £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
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
<b>At 31 March 2022</b>	<b>7,140,323</b>	<b>1</b>	<b>7,140,324</b>
<b>Market value</b>			
<b>At 31 March 2022</b>	<b>7,140,323</b>	<b>1</b>	<b>7,140,324</b>
At 31 March 2021	4,886,070	1	4,886,071

<b>Company</b>	<b>Shares in group undertakings £</b>	<b>Listed investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
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
<b>At 31 March 2022</b>	<b>1,656</b>	<b>880,359</b>	<b>882,015</b>
<b>Market value</b>			
<b>At 31 March 2022</b>	<b>1,656</b>	<b>880,359</b>	<b>882,015</b>
<b>Market value</b>			
At 31 March 2021	1,656	877,169	878,825

**Subsidiary undertakings**

The following were subsidiary undertakings of the charity at 31 March 2022.

<b>Name</b>	<b>Registered Office Address</b>	<b>Class of share</b>	<b>Holding</b>
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**  
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**For the year ended 31 March 2022**

**17 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>3,453,729</b>	2,623,023	-	-
Amounts recoverable on contracts	<b>1,241,021</b>	924,280	-	-
Other debtors	<b>473,681</b>	124,046	-	-
Tax	<b>887,465</b>	549,877	-	-
Prepayments and accrued income	<b>13,466</b>	13,953	<b>636</b>	636
	<b><u>6,069,362</u></b>	<u>4,235,179</u>	<b><u>636</u></b>	<u>636</u>

**18 Creditors – Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>36,140</b>	121,130	-	-
Amounts owed to participating interests	-	-	-	-
Social security and other taxes	<b>126,025</b>	111,746	-	-
VAT	<b>344,976</b>	33,035	-	-
Other creditors	<b>1,681</b>	1,681	<b>1,681</b>	1,681
Accruals and deferred income	<b>4,592,413</b>	2,972,735	<b>1,584,484</b>	980,743
	<b><u>5,101,235</u></b>	<u>3,240,327</u>	<b><u>1,586,165</u></b>	<u>982,424</u>

**19 Creditors – Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals and deferred income	<b><u>976,747</u></b>	<u>620,496</u>	<b><u>976,747</u></b>	<u>620,496</u>

**20 Provisions for liabilities and charges**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred tax		
Accelerated capital allowances	<b><u>41,479</u></b>	<u>63,059</u>

<b>Group</b>	<b>Deferred Tax</b>
	<b>£</b>
Balance as at 1 April 2021	63,059
Credit to Statement of Financial Activities	-21,580
Balance as at 31 March 2022	<b><u>41,479</u></b>

**North West Lung Centre**  
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**21 Leasing commitments**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	<b>113,737</b>	104,437
Later than one year and not later than five years	<b>249,315</b>	279,875
In more than five years	<b>338,768</b>	391,563
	<b><u>701,820</u></b>	<b><u>775,875</u></b>

**22 Reconciliation of cash generated from operations**

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net incoming resources before taxation	<b>4,693,191</b>	4,825,506
Depreciation charges	<b>241,246</b>	248,678
(Profit)/loss on disposal of fixed assets	<b>25,248</b>	(216,216)
(Gain)/loss on valuation of investments	<b>(286,245)</b>	(719,259)
Governments grants	-	(442,226)
Finance costs	-	192
Finance income	<b>(147,419)</b>	(100,258)
	<b>4,526,021</b>	3,596,417
Decrease/(increase) in trade and other debtors	<b>(3,894,733)</b>	(442,539)
Increase /(decrease) in trade and other creditors	<b>4,615,295</b>	924,354
<b>Cash generated from operations</b>	<b><u>5,246,583</u></b>	<b><u>4,078,232</u></b>

<b>Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net incoming resources before taxation	<b>(319,098)</b>	811,567
(Profit)/loss on disposal of fixed assets	<b>76,734</b>	(10,851)
(Gain)/loss on valuation of investments	<b>(76,163)</b>	(153,610)
Finance income	<b>(1,219,249)</b>	(1,270,253)
	<b>(1,537,776)</b>	(623,147)
Decrease/(increase) in trade and other debtors	-	(636)
Increase /(decrease) in trade and other creditors	<b>959,991</b>	(442,096)
<b>Cash generated from operations</b>	<b><u>(577,785)</u></b>	<b><u>(1,065,879)</u></b>



**North West Lung Centre**  
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**23 Cash and cash equivalents**

**Group**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Year ended 31 March 2022</b>		
Cash and cash equivalents	<b>17,016,060</b>	<b>13,961,385</b>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Year ended 31 March 2021</b>		
Cash and cash equivalents	<b>13,961,385</b>	<b>9,354,120</b>

**Company**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Year ended 31 March 2022</b>		
Cash and cash equivalents	<b>2,328,035</b>	<b>1,690,332</b>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Year ended 31 March 2021</b>		
Cash and cash equivalents	<b>1,690,332</b>	<b>1,506,498</b>

**24 Analysis of changes in net funds**

**Group**

	<b>At 1.4.2021</b>	<b>Cash flow</b>	<b>At 31.3.2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	13,961,385	3,054,675	17,016,060
<b>Total</b>	<b>13,961,385</b>	<b>3,054,675</b>	<b>17,016,060</b>

**Company**

	<b>At 1.4.2021</b>	<b>Cash flow</b>	<b>At 31.3.2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	1,690,322	637,703	2,328,035
<b>Total</b>	<b>1,690,322</b>	<b>637,703</b>	<b>2,328,035</b>

**North West Lung Centre**  
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**25 Movements in funds**

	<b>At 1.4.21</b>	<b>Net movement in funds</b>	<b>At 31.3.2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General funds	23,516,193	4,777,990	28,294,183
<b>Total funds</b>	<b>23,516,193</b>	<b>4,777,990</b>	<b>28,294,183</b>

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

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General funds	18,116,393	13,338,403	4,777,990
<b>Total funds</b>	<b>18,116,393</b>	<b>13,338,403</b>	<b>4,777,990</b>

**Comparatives for movement in funds**

	<b>At 1.4.2020</b>	<b>Net movement in funds</b>	<b>At 31.3.2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General funds	18,583,316	4,932,877	23,516,193
<b>Total funds</b>	<b>18,583,316</b>	<b>4,932,877</b>	<b>23,516,193</b>

Comparative net movement in funds, included in the above are as follows:

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General funds	17,091,831	12,158,954	4,932,877
<b>Total funds</b>	<b>17,091,831</b>	<b>12,158,954</b>	<b>4,932,877</b>

**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.