

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

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

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

Contents	Page
Reference and Administrative Details	1
Trustees Annual Report including Directors Report and Strategic Report	2-7
Independent Auditor's Report	8-10
Consolidated Statement of Financial Activities (including an Income and Expenditure Account)	11-12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17-34

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

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

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

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report and the audited financial statements of the charity and the group for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Trustees of the charity

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

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

Objectives and activities

The objects of the charity are:

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

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

Public benefit statement

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

Strategic Report

Achievements and performance

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

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

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

**Strategic Report
Achievements and performance- continued**

The funding awarded this year supports:

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

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

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

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

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

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

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

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

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

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

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

**Strategic Report
Achievements and performance- continued**

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

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

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

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

**Strategic Report
Achievements and performance- continued**

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

Financial review

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

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

Reserves policy

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

Investment powers and policy

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

Future plans

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

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

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

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

**Structure, governance and management
Governing Document**

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

Recruitment and appointment of Trustees

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

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

Trustee induction and training

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

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

Risk Management

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

Organisation

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

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

Related Parties

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

Statement of trustees' responsibilities

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

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

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

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

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

Disclosure of information to the auditors

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

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

Auditors

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

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

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

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

Prof. C Murray
Trustee and Board Secretary

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

For the year ended 31 March 2024

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

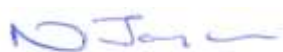
Auditors' responsibilities for the audit of the financial statements - continued

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

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

Use of our report

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



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

Dated 23rd December 2024

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

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

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

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

All income and expenditure derives from continuing activities.

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

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

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

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



Prof. C Murray
Trustee



Dr A M Jones
Trustee

Company registration number 03936652

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

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

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



Prof. C Murray
Trustee



Dr A M Jones
Trustee

Company registration number 03936652

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

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

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

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

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

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

1 Statutory Information

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

2 Accounting policies

Basis of preparing the financial statements

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

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

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

Group financial statements

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

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

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

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

Going concern

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

Funds

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

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

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

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

2 Accounting policies - continued

Income recognition

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

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

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

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

Expenditure recognition

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

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

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

Tangible fixed assets

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

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

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

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

2 Accounting policies – continued

Investments

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

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

Impairment

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

Cash and cash equivalents

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

Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

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

2 Accounting policies – continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

Deferred tax

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

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

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

Turnover from trading activities

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

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

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

Foreign currencies

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

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

2 Accounting policies – continued

Employee benefits

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

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

Research and development

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

4 Income from donations and legacies

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

5 Income from other trading activities

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

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

6 Income from investments

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

7 Expenditure on charitable activities

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

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

8 Analysis of grants

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

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

8 Analysis of grants - continued

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

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

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

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

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

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

9 Movements in funding commitments

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

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

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

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

10 Auditors remuneration

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

11 Taxation

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

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

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

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

12 Net income

Net income is stated after charging/(crediting):

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

13 Trustees remuneration and expenses

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

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

14 Staff costs and employee benefits

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

	2024	2023
Admin	61	83
Clinical	101	79
	162	162

The total staff costs and employee benefits were as follows:

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

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

14 Staff costs and employee benefits - continued

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

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

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

15 Tangible fixed assets

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

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

16 Fixed asset investments

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

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

Subsidiary undertakings

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

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

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

17 Debtors

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

18 Creditors – Amounts falling due within one year

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

19 Creditors – Amounts falling due after more than one year

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

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

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

20 Provisions for liabilities and charges

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

21 Leasing commitments

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

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

22 Reconciliation of cash generated from operations

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

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

23 Cash and cash equivalents

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

24 Analysis of changes in net funds

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

25 Movements in funds

Group

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

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

25 Movements in funds – continued

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

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

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

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

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

Comparatives for movements in funds

Group

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

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

25 Movements in funds – continued

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

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

Company

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

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

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

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

25 Movements in funds – continued

Comparatives for movements in funds

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

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

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

26 Directors' advances, credits and guarantees

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

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

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

27 Related Party Transactions

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

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

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

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

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

There are no other related party transactions.

