EUROPEAN LUNG FOUNDATION

England & Wales · Charity number 1118930

Details

Status	Registered
Legal form	Charitable company
Company number	05718525
Registered	2007-04-24
Register	View on the Charity Commission register

Contact

Address	442 Glossop Road Sheffield S10 2PX
Phone	01142672874
Email	pippa.powell@europeanlung.org
Website	www.european-lung-foundation.org

Activities

Objects: 3. THE COMPANY'S OBJECTS ARE:(I) TO PROMOTE AND PROTECT THE PHYSICAL AND MENTAL HEALTH OF SUFFERERS OF LUNG DISEASE AND ITS RELATED RISKS, PRIMARILY IN EUROPE;(II) TO ADVANCE THE EDUCATION AND UNDERSTANDING OF THE PUBLIC ABOUT LUNG DISEASE AND ITS RELATED RISK FACTORS;(III) TO PROMOTE RESEARCH INTO LUNG DISEASE FOR THE PUBLIC BENEFIT.

Activities: The European Lung Foundation provides information on lung health and disease for patients the general public, business and the media.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

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Geography

- **Area of benefit:** PRIMARILY IN EUROPE.
- Australia
- Belgium
- Czech Republic
- Denmark
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Luxembourg
- Netherlands
- Norway
- Portugal
- South Africa
- Spain
- Switzerland
- United States
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£498,119	£571,949	-	-
2024-03-31	£379,966	£687,901	-	-
2023-03-31	£527,663	£729,875	£631,014	11
2022-03-31	£523,219	£527,497	£833,226	12
2021-03-31	£662,735	£630,647	£837,504	13

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Trustees

Name	Role	Appointed
Dimitris Kontopidis		2023-09-20
Judith Garcia Aymerich		2022-09-04
Werner Bill		2015-11-25

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EUROPEAN LUNG FOUNDATION

England & Wales - Charity number 1118930

Accounts

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CHARITY REGISTRATION NUMBER 1118930

COMPANY REGISTRATION NUMBER 05718525

EUROPEAN LUNG FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Docusign Envelope ID: F31CCF42-E3B4-49E7-86F0-59AA49418CCD

EUROPEAN LUNG FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Prof. J G Aymerich Mr D Kontopidis
Trustees	Mr W Bill Prof. J G Aymerich Mr D Kontopidis
Head of European Lung Foundation	Dr P Powell
Secretary	Mr W Bill
Charity number	1118930
Company number	05718525
Principal address	442 Glossop Road Sheffield South Yorkshire S10 2PX
Registered office	442 Glossop Road Sheffield South Yorkshire S10 2PX
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF
Bankers	HSBC Bank plc 2 Fargate Sheffield S1 2JS

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EUROPEAN LUNG FOUNDATION

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EUROPEAN LUNG FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objectives are to promote and protect the physical and mental health of sufferers of lung disease and its related risks, primarily in Europe; to advance the education and understanding of the public about lung disease and its related risk factors; to promote research into lung disease for the public benefit.

The European Lung Foundation is a patient-led organisation that works internationally to bring patients and the public together with healthcare professionals to improve lung health and advance diagnosis, treatment and care. The charitable company works to communicate and translate into European languages the work of respiratory professionals to those outside the respiratory field. The European Lung Foundation also works to ensure that people with lung diseases and the general public have the opportunity to influence respiratory research, guidelines and policy at the European level.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the activities are undertaken to further the charity's charitable purposes for the public benefit.

Achievements and performance

The European Lung Foundation has achieved its charitable objectives by educating people across Europe about lung health and disease, as is proved through its website and social media statistics and media and press clippings. It has also increased the accessibility of health professionals and the scientific community to patients through its engagement of patient organisations in the work of the European Respiratory Society. A range of achievements are included here:

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Improving knowledge and understanding, and support self management

- Written and shared 18 lay articles
- Written 11 patient spotlights
- Produced new materials on website on: Chronic cough, Sleep, Nutrition, New breathlessness 'hub' based on Better-B findings, Transplantation patient booklet
- Produced 2 lay guidelines: Symptom management in long-term lung conditions; Better-B guidelines- these resulted in news article and new page mentioned above
- Held 2 EPAP webinars
- Ran successful Healthy Lungs for Life campaign in Vienna and WHO conference in Cartegena Colombia

Being patient-driven

- Held three patient conferences; chronic cough; alpha 1; bronchiectasis
- Held patient webinars on; PH question time; bronchiectasis question time; childhood bronchiectasis question time; mental health
- Supported the work of 15 Patient Advisory Groups, 5 working groups and 3 project specific patient groups
- Involved patients in more than 52 ERS projects, including 31 Task Forces and 21 Clinical Research Collaborations
- Successful incorporation of patients into the ERS Congress; 17 participants in 15 videos; 142 patient registrations; 89 patient representatives attending Patient Organizations Networking Day
- Contributed to ERS Monographs on; COVID and physiology

Engage and empower

- Website had 1.33 million visits and reached 875k users
- Social media reached >28,000
- >11,500 newsletter subscribers and new format
- Held stakeholder event
- European Patient Ambassador programme launch in Ukrianian

Having a strong and diverse community and voice

- Developed ELF’s partnership in Lungs Europe and the European Lung Health Group
- Contributed to responses on EU consultations
- Worked on >10 EU projects as ELF and as part of Lungs Europe
- Increase resource and reach
- Offered 10 grants to organisatons around the globe to promote the Healthly Lungs for Life Campaign, including some specifically focused on EU legislation
- ELF grew its annual fundraised income to >€100,000

Ensuring good governance

- ELF Award presented to Walter Klepetko
- Delivery of Chair Strategy and campaign

Financial review

The charity's total income for the year was £498,119 (2024: £379,966). Expenditure amounted to £571,949 (2024: £687,901) leaving a deficit of £73,830 (2024: deficit of £307,935). Restricted funds totalled £15,050 (2024: £19,578) and unrestricted funds totalled £234,199 (2024: £303,501), of which £233,914 were freely available.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use are maintained at a limited level. Generally speaking, reserves are aimed to be kept at around 6-9 months of expenditure - such that they are of sufficient size to act as a buffer zone for any unforeseen costs to ensure the charity can continue its current activities in the forthcoming year.

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ELF's funding sources have been being diversified. The funds provided have been utilised to further the objectives as described above.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The major risks include a loss of income from the European Respiratory Society. This is mitigated by a contract between the parties ensuring that European Lung Foundation will have notice of more than one financial year in advance of any changes in planned funding. This time will enable European Lung Foundation to find alternative sources of funding, if required. And the diversification that European Lung Foundation has managed to achieve.

Another risk facing the charity is the loss of EU funding. This risk is mitigated by ensuring that the charity is involved in as many project applications as it has capacity using different EU funding streams. EU funding makes up a limited amount of the overall income and so would have limited affect, should funding be lost. ELF has opened an office in Brussels together with ERS - called Lungs Europe - to mitigate any effects of Brexit.

ELF has now employed a full-time fundraiser to further investigate funding options, including individuals. foundations and companies.

Plans for future periods

The aims of the European Lung Foundation in 2025/2026 are to continue to translate the work of respiratory professionals to the public and patients to improve knowledge about lung disease specifically and to improve patient and public influence on respiratory health and medicine.

European Lung Foundation will also continue working on its current EU projects, as well as potentially being involved with a number of new projects and project applications in 2025/2026.

ELF started working within the parameters of a new strategy from 2023, which has been defined by ELF and all its stakeholders.

Structure, governance and management

The charity is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have any share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
Mr W Bill
Prof. J G Aymerich
Mr D Kontopidis

The directors are appointed by the Executive Committee of the ultimate controlling party, European Respiratory Society, which is based in Switzerland. It is the normal duty of the Secretary General of the European Respiratory Society and the Chair of the European Lung Foundation to become directors of the charitable company.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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The European Lung Foundation Council is the main decision-making body of the charitable company. This is made up of five members of the European Respiratory Society and five patient members. Meetings of the Council are held a minimum of 3 times a year and decisions are made via majority vote. Members of the Council include the directors of the charitable company. The Director of the European Lung Foundation makes decisions about the everyday running of the charitable company, based on a strategy defined every 3 years, and a work plan and budget agreed annually with the European Lung Foundation Council. The Director of the European Lung Foundation may from time to time consult with the European Lung Foundation Chair and Secretary (both of whom are directors) for approval on certain decisions.

All new trustees will meet with the European Lung Foundation Director and Chair immediately after their appointment. In this meeting the functioning of the charity and the trustee's role and responsibilities will be outlined in detail together with an accompanying document. If required, new trustees are invited to the European Lung Foundation office in Sheffield to provide a more in-depth overview of the foundation's activities and to meet the staff.

The pay of key management personnel is reviewed annually in December. The Director of the European Lung Foundation proposes a salary increment and bonus, which is benchmarked against other comparable positions in the UK. Two members of the ERS leadership then assess the level of proposed pay and modify as appropriate before giving their approval.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

DocuSigned by:

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Mr D Kontopidis
Trustee
Dated: 30 September 2025

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EUROPEAN LUNG FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of European Lung Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION

Opinion

We have audited the financial statements of European Lung Foundation (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 30 September 2025

Chartered Accountants
Statutory Auditor

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EUROPEAN LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds	Restricted funds	Total 2025	Unrestricted funds	Restricted funds	Total 2024
		£	£	£	£	£	£
Income from:							
Donations	**3**	61,091	-	61,091	15,283	-	15,283
Charitable activities							
The relief and care of lung disease	**4**	354,321	82,707	437,028	251,100	113,583	364,683
Total income		415,412	82,707	498,119	266,383	113,583	379,966
Expenditure on:							
Charitable activities							
The relief and care of lung disease	**5**	512,910	59,039	571,949	499,021	188,880	687,901
Total charitable expenditure		512,910	59,039	571,949	499,021	188,880	687,901
Net (outgoing)/incoming resources before transfers		(97,498)	23,668	(73,830)	(232,638)	(75,297)	(307,935)
Gross transfers between funds		28,196	(28,196)	-	-	-	-
Net expenditure for the year/ Net movement in funds		(69,302)	(4,528)	(73,830)	(232,638)	(75,297)	(307,935)
Fund balances at 1 April 2024		303,501	19,578	323,079	536,139	94,875	631,014
Fund balances at 31 March 2025		234,199	15,050	249,249	303,501	19,578	323,079

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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EUROPEAN LUNG FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**10**		285		507
Current assets					
Debtors	**11**	478,107		329,459	
Cash at bank and in hand		127,668		41,519	
		605,775		370,978	
Creditors: amounts falling due within one year	**12**	(356,811)		(48,406)	
Net current assets			248,964		322,572
Total assets less current liabilities			249,249		323,079
Income funds					
Restricted funds	**14**		15,050		19,578
Unrestricted funds			234,199		303,501
			249,249		323,079

The financial statements were approved by the board of directors and authorised for issue on 30 September 2025 and are signed on its behalf by:

DocuSigned by:

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Mr D Kontopidis
Trustee

Company Registration No. 05718525

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EUROPEAN LUNG FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**19**		86,149		(328,596)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			86,149		(328,596)
Cash and cash equivalents at beginning of year			41,519		370,115
Cash and cash equivalents at end of year			127,668		41,519

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1 Accounting policies

Company information

European Lung Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 442 Glossop Road, Sheffield, South Yorkshire, S10 2PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. The Charity also uses Euros as a functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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1 Accounting policies (Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure.

Charitable activities represent the direct costs incurred in the provision of the company's services, and include all support costs.

Governance costs represent costs of managing and administering the charitable company as a statutory vehicle.

Software	33% straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	33% / 12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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 financing 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.

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1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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1 Accounting policies (Continued)

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the 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. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Donations and gifts	61,091	-	61,091	15,283	-	15,283

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4 Charitable activities

	2025 £	2024 £
Services provided under contract	437,028	364,683
Analysis by fund		
Unrestricted funds	354,321	251,100
Restricted funds	82,707	113,583
	437,028	364,683

The company received unrestricted income under a service agreement of £275,664 (2024: £92,773) from European Respiratory Society during the year.

In addition, the company received restricted grants during the year as follows:- 3TR - £3,958 (2024: £13,517); ; Dragon Project £28,174 (2024: £56,427); BetterB £nil (2024: £15,733) UNITE4TB £-37,538 (2024: £27,906); and Optima £88,112 (2024: £nil).

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5 Charitable activities

	2025	2024
	£	£
Staff costs	381,974	377,387
Depreciation and impairment	221	11,909
Publishing costs	24,412	66,355
Media and marketing costs	71,714	86,222
Allowances and honorariums	28,766	33,185
Recruitment and training	870	7,904
Staff travel	17,039	17,507
Rent and service charges	16,152	13,996
Telephone	808	867
Computer costs	10,505	9,857
Legal and professional	34	18,474
Bank charges	1,513	1,210
Exchange rate variance	(5,838)	650
Subscriptions	711	873
Insurance	4,811	7,971
Other charitable expenditure	14,157	29,734
	567,849	684,101
Share of governance costs (see note 6)	4,100	3,800
	571,949	687,901
Analysis by fund		
Unrestricted funds	512,910	499,021
Restricted funds	59,039	188,880
	571,949	687,901

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6 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Audit fees	-	4,100	4,100	-	3,800	3,800
	-	4,100	4,100	-	3,800	3,800
Analysed between						
Charitable activities	-	4,100	4,100	-	3,800	3,800

Governance costs includes payments to the auditors of £4,100 (2024: £3,800) for audit fees.

7 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	4,100	3,800
Depreciation of owned tangible fixed assets	221	1,029
Amortisation of intangible assets	-	10,880

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8 Employees

Number of employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Directors	2	2
Managers	1	1
Administration	5	5
	8	8

Employment costs	2025 £	2024 £
Wages and salaries	339,581	338,138
Social security costs	29,521	29,008
Other pension costs	12,872	10,241
	381,974	377,387

The number of employees whose annual remuneration was £60,000 or more were:

	2025 Number	2024 Number
£100,000 and above	1	1

Contributions totalling £5,195 (2024: £4,325) were made to a defined contribution pension scheme on behalf of the employee whose emoluments exceed £60,000.

9 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

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10 Tangible fixed assets

	Fixtures, fittings and equipment
	£
Cost	
At 1 April 2024	17,339
At 31 March 2025	17,339
Depreciation and impairment	
At 1 April 2024	16,833
Depreciation charged in the year	221
At 31 March 2025	17,054
Carrying amount	
At 31 March 2025	285
At 31 March 2024	507

11 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	4,044	1,624
Amounts owed by fellow group undertakings	339,042	246,685
Other debtors	125,766	66,325
Prepayments and accrued income	9,255	14,825
	478,107	329,459

12 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	9,226	15,461
Trade creditors	13,969	10,069
Amount due to parent undertaking	297,106	8,518
Amounts due to fellow group undertakings	3,882	3,882
Other creditors	4,936	2,430
Accruals and deferred income	27,692	8,046
	356,811	48,406

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13 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £12,872 (2024: £10,241) and all relates to the single activity carried out by the charity. Amounts charged to restricted funds relate to the pension costs incurred for staff working on the relevant restricted funding projects.

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14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Movement in funds				
	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£	£	£	£
3TR	-	13,517	(13,517)	-	3,959	(10,030)	6,071	-
Dragon Project	73,117	56,427	(119,153)	10,391	28,174	(8,401)	(30,164)	-
DiscovAir	1,239	-	(26)	1,213	-	-	(1,213)	-
BetterB	-	15,733	(15,733)	-	-	-	-	-
UNITE4TB	-	27,906	(27,906)	-	(37,538)	(32,238)	69,776	-
Optima	20,519	-	(12,545)	7,974	88,112	(8,370)	(72,666)	15,050
	94,875	113,583	(188,880)	19,578	82,707	(59,039)	(28,196)	15,050

3TR is a large research project funded by the Innovative Medicines Initiative 1 (IMI2). It is the largest project in the field of immunology ever funded by IMI2 to date. It will provide important new insights and information about why a large number of patients suffering from the following seven diseases do not respond to treatment: asthma, COPD, Crohn's disease, ulcerative colitis, multiple sclerosis, systemic lupus erythematosus and rheumatoid arthritis. In this project, ELF is responsible for involving asthma and COPD patients throughout the project and also in dissemination and communication of the project to patients and the public.

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14 Restricted funds **(Continued)**

The Dragon Project is an IMI funded project, using artificial intelligence (AI) and machine learning to deliver a decision support system for the precise coronavirus diagnosis using CT scanning. ELF is involved in patient input and communication and dissemination. ELF hosts the website (europeanlung.org/dragon/).

DiscovAir is a HORIZON2020 funded project that will develop a lung cell atlas. This will be a 3D reconstruction of how the cells in the lungs interact with other cells, certain medications and how the lungs in people with lung diseases are difference from those without disease. ELF is helping getting the patient and public perspective on the project and involved in communication and dissemination.

Better-B is an HORIZON2020 funded study involving international breathlessness experts from respiratory, palliative care and rehabilitative specialisms. The project will test whether an antidepressant can be repurposed to help in managing breathlessness where non-drug treatments cannot be effectively used. ELF is involved in communication and dissemination together with the ERS.

UNITE4TB is the newest project of the IMI AMR Accelerator, a public-private collaboration with the shared goal of progressing the development of new medicines to treat or prevent resistant bacterial infections. The 7-year project aims to accelerate and improve the clinical evaluation of combinations of existing and novel drugs, with the goal of developing new and highly active TB treatment regimens for drug-resistant and sensitive TB.

OPTIMA is an Innovative Medicines Initiative (IMI)-funded EU project aiming to ensure that every patient with lung, prostate and breast cancer has access to the most up-to-date individualised treatments and innovative therapies. It will do this by strengthening shared decision-making using dynamic computer-interpretable guidelines, and using AI-driven technology and tools.

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15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
General funds	303,501	415,412	(512,910)	28,196	234,199

Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
General funds	536,139	266,383	(499,021)	-	303,501

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Fund balances at 31 March 2025 are represented by:						
Tangible assets	285	-	285	507	-	507
Current assets/(liabilities)	233,914	15,050	248,964	302,994	19,578	322,572
	234,199	15,050	249,249	303,501	19,578	323,079

17 Related party transactions

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

18 Analysis of changes in net funds

The charity had no material debt during the year.

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19	Cash generated from operations	2025 £	2024 £
	Deficit for the year	(73,830)	(307,935)
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	221	11,909
	Movements in working capital:		
	(Increase) in debtors	(148,647)	(21,269)
	Increase/(decrease) in creditors	308,405	(11,301)
	Cash generated from/(absorbed by) operations	86,149	(328,596)

EUROPEAN LUNG FOUNDATION

England & Wales - Charity number 1118930

Accounts

Docusign Envelope ID: 07640DF6-DB77-4E40-88D8-273133FA9652

CHARITY REGISTRATION NUMBER 1118930

COMPANY REGISTRATION NUMBER 05718525

EUROPEAN LUNG FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

UHY Hacker Young
Chartered Accountants

Docusign Envelope ID: 07640DF6-DB77-4E40-88D8-273133FA9652

EUROPEAN LUNG FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Prof. J G Aymerich Mr D Kontopidis	
Trustees	Mr W Bill Prof. J G Aymerich Mr D Kontopidis	(Appointed 20 September 2023)
Head of European Lung Foundation	Dr P Powell	
Secretary	Mr W Bill	
Charity number	1118930	
Company number	05718525	
Principal address	442 Glossop Road Sheffield South Yorkshire S10 2PX	
Registered office	442 Glossop Road Sheffield South Yorkshire S10 2PX	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	
Bankers	HSBC Bank plc 2 Fargate Sheffield S1 2JS	

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EUROPEAN LUNG FOUNDATION

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EUROPEAN LUNG FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objectives are to promote and protect the physical and mental health of sufferers of lung disease and its related risks, primarily in Europe; to advance the education and understanding of the public about lung disease and its related risk factors; to promote research into lung disease for the public benefit.

The European Lung Foundation is a patient-led organisation that works internationally to bring patients and the public together with healthcare professionals to improve lung health an advance diagnosis, treatment and care. The charitable company works to communicate and translate into European languages the work of respiratory professionals to those outside the respiratory field. The European Lung Foundation also works to ensure that people with lung diseases and the general public have the opportunity to influence respiratory research, guidelines and policy at the European level.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the activities are undertaken to further the charity's charitable purposes for the public benefit.

Achievements and performance

The European Lung Foundation has achieved its charitable objectives by educating people across Europe about lung health and disease, as is proved through its website and social media statistics and media and press clippings. It has also increased the accessibility of health professionals and the scientific community to patients through its engagement of patient organisations in the work of the European Respiratory Society. A range of achievements are included here:

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Improving knowledge and understanding, and support self management

- Written and shared 23 lay articles
- Produced: new bronchiectasis hub and new pages on pulmonary hypertension, transition, transplantation, AMR, palliative care and managing breathlessness
- Produced 3 lay guidelines: graft versus host; frailty and palliative care
- Held 2 EPAP webinars
- Ran successful Healthy Lungs for Life campaign

Being patient-driven

- Held two patient conferences
- Recorded 12 patient experience videos for the ERS congress
- Supported the work of 18 Patient Advisory Groups, 5 working groups and 3 project specific patient groups
- Involved patients in more than 46 ERS projects, including 19 Task Forces and 17 Clinical Research Collaborations
- Held World Bronchiectasis Day webinar

Engage and empower

- Website reached 911K users
- Social media reached 26,000
- >11,500 newsletter subscribers and new format
- Held stakeholder event
- European Patient Ambassador programme launch in Portuguese

Having a strong and diverse community and voice

- Developed ELF's partnership in Lungs Europe and the European Lung Health Group
- Contributed to responses on 3 EU consultations
- Worked on >10 EU projects as ELF and as part of Lungs Europe

Increase resource and reach

- Offered 20 grants to organisations around the globe to promote the Healthy Lungs for Life campaign, including some specifically focussed on EU legislation
- ELF grew its annual fundraised income to >€100,000

Ensuring good governance

- Smooth hand over to a new ELF Chair – Dimitris Kontopidis
- Launch of the Chairs fundraising campaign

Financial review

The charity's total income for the year was £379,966 (2023: £527,663). Expenditure amounted to £687,901 (2023: £729,875) leaving a deficit of £307,935 (2023: deficit of £202,212). Restricted funds totalled £19,578 (2023: £94,875) and unrestricted funds totalled £303,501 (2023: £536,139), of which £302,994 were freely available.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use are maintained at a limited level. Generally speaking, reserves are aimed to be kept at around 6-9 months of expenditure - such that they are of sufficient size to act as a buffer zone for any unforeseen costs to ensure the charity can continue its current activities in the forthcoming year.

ELF's funding sources have been being diversified. The funds provided have been utilised to further the objectives as described above.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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The major risks include a loss of income from the European Respiratory Society. This is mitigated by a contract between the parties ensuring that European Lung Foundation will have notice of more than one financial year in advance of any changes in planned funding. This time will enable European Lung Foundation to find alternative sources of funding, if required. And the diversification that European Lung Foundation has managed to achieve.

Another risk facing the charity is the loss of EU funding. This risk is mitigated by ensuring that the charity is involved in as many project applications as it has capacity using different EU funding streams. EU funding makes up a limited amount of the overall income and so would have limited affect, should funding be lost. ELF has opened an office in Brussels together with ERS - called Lungs Europe - to mitigate any effects of Brexit.

ELF has now employed a full-time fundraiser to further investigate funding options, including individuals. foundations and companies.

Plans for future periods

The aims of the European Lung Foundation in 2025/2026 are to continue to translate the work of respiratory professionals to the public and patients to improve knowledge about lung disease specifically and to improve patient and public influence on respiratory health and medicine.

European Lung Foundation will also continue working on its current EU projects, as well as potentially being involved with a number of new projects and project applications in 2024/2025.

ELF started working within the parameters of a new strategy from 2023, which has been defined by ELF and all its stakeholders.

Structure, governance and management

The charity is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have any share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr W Bill	
Mr K S Hansen	(Resigned 20 September 2023)
Prof. J G Aymerich	
Mr D Kontopidis	(Appointed 20 September 2023)

The directors are appointed by the Executive Committee of the ultimate controlling party, European Respiratory Society, which is based in Switzerland. It is the normal duty of the Secretary General of the European Respiratory Society and the Chair of the European Lung Foundation to become directors of the charitable company.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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The European Lung Foundation Council is the main decision-making body of the charitable company. This is made up of five members of the European Respiratory Society and five patient members. Meetings of the Council are held a minimum of 3 times a year and decisions are made via majority vote. Members of the Council include the directors of the charitable company. The Director of the European Lung Foundation makes decisions about the everyday running of the charitable company, based on a strategy defined every 3 years, and a work plan and budget agreed annually with the European Lung Foundation Council. The Director of the European Lung Foundation may from time to time consult with the European Lung Foundation Chair and Secretary (both of whom are directors) for approval on certain decisions.

All new trustees will meet with the European Lung Foundation Director and Chair immediately after their appointment. In this meeting the functioning of the charity and the trustee's role and responsibilities will be outlined in detail together with an accompanying document. If required, new trustees are invited to the European Lung Foundation office in Sheffield to provide a more in-depth overview of the foundation's activities and to meet the staff.

The pay of key management personnel is reviewed annually in December. The Director of the European Lung Foundation proposes a salary increment and bonus, which is benchmarked against other comparable positions in the UK. Two members of the ERS leadership then assess the level of proposed pay and modify as appropriate before giving their approval.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

DocuSigned by:

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Mr D Kontopidis
Trustee
Dated: 28 August 2024

Docusign Envelope ID: 07640DF6-DB77-4E40-88D8-273133FA9652

EUROPEAN LUNG FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of European Lung Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION

Opinion

We have audited the financial statements of European Lung Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 28 August 2024

Chartered Accountants
Statutory Auditor

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EUROPEAN LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds	Restricted funds	Total 2024	Unrestricted funds	Restricted funds	Total 2023
		£	£	£	£	£	£
Income from:							
Donations	3	15,283	-	15,283	49,379	-	49,379
Charitable activities							
The relief and care of lung disease	4	251,100	113,583	364,683	364,711	113,573	478,284
Total income		266,383	113,583	379,966	414,090	113,573	527,663
Expenditure on:							
Charitable activities							
The relief and care of lung disease	5	499,021	188,880	687,901	588,201	141,674	729,875
Total charitable expenditure		499,021	188,880	687,901	588,201	141,674	729,875
Net expenditure for the year/ Net movement in funds		(232,638)	(75,297)	(307,935)	(174,111)	(28,101)	(202,212)
Fund balances at 1 April 2023		536,139	94,875	631,014	710,250	122,976	833,226
Fund balances at 31 March 2024		303,501	19,578	323,079	536,139	94,875	631,014

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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EUROPEAN LUNG FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	**10**		-		10,880
Tangible assets	**11**		507		1,536
			507		12,416
Current assets					
Debtors	**12**	329,459		308,190	
Cash at bank and in hand		41,519		370,115	
		370,978		678,305	
Creditors: amounts falling due within one year	**13**	(48,406)		(59,707)	
Net current assets			322,572		618,598
Total assets less current liabilities			323,079		631,014
Income funds					
Restricted funds	**15**		19,578		94,875
Unrestricted funds			303,501		536,139
			323,079		631,014

The financial statements were approved by the board of directors and authorised for issue on 28 August 2024 and are signed on its behalf by:

DocuSigned by:

B10A924DD3E9460...

Mr D Kontopidis

Trustee

Company Registration No. 05718525

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EUROPEAN LUNG FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash absorbed by operations	**18**		(328,596)		(575,247)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(328,596)		(575,247)
Cash and cash equivalents at beginning of year			370,115		945,362
Cash and cash equivalents at end of year			41,519		370,115

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1 Accounting policies

Company information

European Lung Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 442 Glossop Road, Sheffield, South Yorkshire, S10 2PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. The Charity also uses Euros as a functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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1 Accounting policies (Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure.

Charitable activities represent the direct costs incurred in the provision of the company's services, and include all support costs.

Governance costs represent costs of managing and administering the charitable company as a statutory vehicle.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	33% / 12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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1 Accounting policies **(Continued)**

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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 financing 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.

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1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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1 Accounting policies (Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the 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. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Donations and gifts	15,283	-	15,283	49,379	-	49,379

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4 Charitable activities

	2024 £	2023 £
Services provided under contract	364,683	478,284
Analysis by fund		
Unrestricted funds	251,100	364,711
Restricted funds	113,583	113,573
	364,683	478,284

The company received unrestricted income under a service agreement of £92,773 (2023: £275,239) from European Respiratory Society during the year.

In addition, the company received restricted grants during the year as follows:- 3TR - £13,517 (2023: £7,311); DiscovAir £nil (2023: £3,076); Dragon Project £56,427 (2023: £51,618); BetterB £15,733 (2023: 2,762); FAIR £nil (2023: £17,518); UNITE4TB £27,906 (2023: £9,631); and Optima £nil (2023: £21,657).

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5 Charitable activities

	2024	2023
	£	£
Staff costs	377,387	476,577
Depreciation and impairment	11,909	14,123
Publishing costs	66,355	59,244
Media and marketing costs	86,222	49,035
Allowances and honorariums	33,185	8,975
Recruitment and training	7,904	7,702
Staff travel	17,507	13,760
Rent and service charges	13,996	12,836
Telephone	867	1,326
Computer costs	9,857	11,071
Legal and professional	18,474	22,212
Bank charges	1,210	903
Exchange rate variance	650	3,902
Subscriptions	873	685
Insurance	7,971	7,333
Other charitable expenditure	29,734	3,767
	684,101	693,451
Grant funding of activities (see note 6)	-	34,424
Share of governance costs (see note 7)	3,800	2,000
	687,901	729,875
Analysis by fund		
Unrestricted funds	499,021	588,201
Restricted funds	188,880	141,674
	687,901	729,875

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6 Grants payable

	2024	2023
	£	£
Lungs Europe	-	34,424

7 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Audit fees	-	3,800	3,800	-	2,000	2,000
	-	3,800	3,800	-	2,000	2,000
Analysed between						
Charitable activities	-	3,800	3,800	-	2,000	2,000

Governance costs includes payments to the auditors of £3,800 (2023: £2,000) for audit fees and legal and professional fees includes payments to the auditors of £3,800 (2023: £2,000) for other services carried out during the year.

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8 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Directors	2	2
Managers	1	1
Administration	5	8
	8	11

Employment costs	2024 £	2023 £
Wages and salaries	338,138	421,571
Social security costs	29,008	41,091
Other pension costs	10,241	13,915
	377,387	476,577

The number of employees whose annual remuneration was £60,000 or more were:

	2024 Number	2023 Number
£100,000 and above	1	1

Contributions totalling £4,325 (2023: £3,957) were made to a defined contribution pension scheme on behalf of the employee whose emoluments exceed £60,000.

9 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

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10 Intangible fixed assets

	Software £
Cost	
At 1 April 2023 and 31 March 2024	39,168
Amortisation and impairment	
At 1 April 2023	28,288
Amortisation charged for the year	10,880
At 31 March 2024	39,168
Carrying amount	
At 31 March 2024	-
At 31 March 2023	10,880

11 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2023	17,339
At 31 March 2024	17,339
Depreciation and impairment	
At 1 April 2023	15,803
Depreciation charged in the year	1,029
At 31 March 2024	16,832
Carrying amount	
At 31 March 2024	507
At 31 March 2023	1,536

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12 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	1,624	8,512
Amount owed by parent undertaking	-	204,017
Amounts owed by fellow group undertakings	246,685	50,917
Other debtors	66,325	34,481
Prepayments and accrued income	14,825	10,263
	329,459	308,190

13 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	15,461	11,461
Trade creditors	10,069	16,853
Amount due to parent undertaking	8,518	-
Amounts due to fellow group undertakings	3,882	-
Other creditors	2,430	3,155
Accruals and deferred income	8,046	28,238
	48,406	59,707

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £10,241 (2023: £13,915) and all relates to the single activity carried out by the charity. Amounts charged to restricted funds relate to the pension costs incurred for staff working on the relevant restricted funding projects.

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15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£	£	£	£
3TR	8,406	7,311	(15,717)	-	13,517	(13,517)	-
Dragon Project	87,057	51,618	(65,558)	73,117	56,427	(119,153)	10,391
DiscovAir	-	3,076	(1,837)	1,239	-	(26)	1,213
BetterB	-	2,762	(2,762)	-	15,733	(15,733)	-
FAIR	-	17,518	(17,518)	-	-	-	-
UNITE4TB	17,159	9,631	(26,790)	-	27,906	(27,906)	-
Optima	10,354	21,657	(11,492)	20,519	-	(12,545)	7,974
	122,976	113,573	(141,674)	94,875	113,583	(188,880)	19,578

3TR is a large research project funded by the Innovative Medicines Initiative 1 (IMI2). It is the largest project in the field of immunology ever funded by IMI2 to date. It will provide important new insights and information about why a large number of patients suffering from the following seven diseases do not respond to treatment: asthma, COPD, Crohn's disease, ulcerative colitis, multiple sclerosis, systemic lupus erythematosus and rheumatoid arthritis. In this project, ELF is responsible for involving asthma and COPD patients throughout the project and also in dissemination and communication of the project to patients and the public.

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15 Restricted funds **(Continued)**

The Dragon Project is an IMI funded project, using artificial intelligence (AI) and machine learning to deliver a decision support system for the precise coronavirus diagnosis using CT scanning. ELF is involved in patient input and communication and dissemination. ELF hosts the website (europeanlung.org/dragon/).

DiscovAir is a HORIZON2020 funded project that will develop a lung cell atlas. This will be a 3D reconstruction of how the cells in the lungs interact with other cells, certain medications and how the lungs in people with lung diseases are difference from those without disease. ELF is helping getting the patient and public perspective on the project and involved in communication and dissemination.

Better-B is an HORIZON2020 funded study involving international breathlessness experts from respiratory, palliative care and rehabilitative specialisms. The project will test whether an antidepressant can be repurposed to help in managing breathlessness where non-drug treatments cannot be effectively used. ELF is involved in communication and dissemination together with the ERS.

FAIR is an EU-funded project aiming to assess an adjunct to antibiotic therapy as an emerging concept to overcome AMR in pneumonia. The research focusses on the unique immunomodulator flagellin that enhances airway epithelial innate immune defences, and the development of airway-specific aerosol delivery by nebulisation. ELF is involved in communication and dissemination together with the ERS.

UNITE4TB is the newest project of the IMI AMR Accelerator, a public-private collaboration with the shared goal of progressing the development of new medicines to treat or prevent resistant bacterial infections. The 7-year project aims to accelerate and improve the clinical evaluation of combinations of existing and novel drugs, with the goal of developing new and highly active TB treatment regimens for drug-resistant and sensitive TB.

OPTIMA is an Innovative Medicines Initiative (IMI)-funded EU project aiming to ensure that every patient with lung, prostate and breast cancer has access to the most up-to-date individualised treatments and innovative therapies. It will do this by strengthening shared decision-making using dynamic computer-interpretable guidelines, and using AI-driven technology and tools.

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16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:						
Intangible fixed assets	-	-	-	10,880	-	10,880
Tangible assets	507	-	507	1,536	-	1,536
Current assets/ (liabilities)	302,994	19,578	322,572	523,723	94,875	618,598
	303,501	19,578	323,079	536,139	94,875	631,014

17 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2024	2023
	£	£
Aggregate compensation	135,517	125,160

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

18 Cash generated from operations

	2024	2023
	£	£
Deficit for the year	(307,935)	(202,212)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	11,909	14,123
Movements in working capital:		
(Increase) in debtors	(21,269)	(266,497)
(Decrease) in creditors	(11,301)	(120,660)
Cash absorbed by operations	(328,596)	(575,246)

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19 Analysis of changes in net funds

The charity had no debt during the year.

EUROPEAN LUNG FOUNDATION

England & Wales - Charity number 1118930

Accounts

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CHARITY REGISTRATION NUMBER 1118930

COMPANY REGISTRATION NUMBER 05718525

EUROPEAN LUNG FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

UHY Hacker Young
Chartered Accountants

DocuSign Envelope ID: 391CBBC7-BDB4-4330-AE79-314094C675D1

EUROPEAN LUNG FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Prof. J G Aymerich Mr K S Hansen	
Trustees	Mr W Bill Mr K S Hansen Prof. J G Aymerich	 (Appointed 4 September 2022)
Head of European Lung Foundation	Dr P Powell	
Secretary	W Bill	
Charity number	1118930	
Company number	05718525	
Principal address	442 Glossop Road Sheffield South Yorkshire S10 2PX	
Registered office	442 Glossop Road Sheffield South Yorkshire S10 2PX	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	
Bankers	HSBC Bank plc 2 Fargate Sheffield S1 2JS	

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EUROPEAN LUNG FOUNDATION

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EUROPEAN LUNG FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objectives are to promote and protect the physical and mental health of sufferers of lung disease and its related risks, primarily in Europe; to advance the education and understanding of the public about lung disease and its related risk factors; to promote research into lung disease for the public benefit.

The European Lung Foundation is a patient-led organisation that works internationally to bring patients and the public together with healthcare professionals to improve lung health an advance diagnosis, treatment and care. The charitable company works to communicate and translate into European languages the work of respiratory professionals to those outside the respiratory field. The European Lung Foundation also works to ensure that people with lung diseases and the general public have the opportunity to influence respiratory research and guidelines at the European level.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the activities are undertaken to further the charity's charitable purposes for the public benefit.

Achievements and performance

The European Lung Foundation has achieved its charitable objectives by educating people across Europe abo health and disease, as is proved through its website and social media statistics and media and press clippings also increased the accessibility of health professionals and the scientific community to patients thro engagement of patient organisations in the work of the European Lung Foundation. A range of achieveme included here:

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In line with its strategy 2020-2023, ELF has achieved the following:
Improving knowledge and understanding

- Updated travel database
- Written and shared 23 lay articles
- Produced a sarcoidosis patient charter
- Produced and translated 4 new resources; including Remote care, Data sharing, Organ donation and Palliative care
- Produced 2 lay guidelines
- Held 2 EPAP webinars

Being patient-led

- Held four patient conferences with 1,347 attendees and 3,373 views
- Recorded 19 patient experience videos
- Supported the work of 13 Patient Advisory Groups
- Involved patients in more than 40 ERS projects, including 19 Task Forces and 17 Clinical Research Collaborations

Engaging effectively

- Website reached 1.15 m
- Social media reached 25,000
- >11,500 newsletter subscribers
- Held our first ever stakeholder event

Having a strong voice

- Contributed to responses on 7 EU consultations
- Worked on >10 EU projects

Improving resources and reach

- Offered 10 grants to organisations around the globe to promote the Healthy Lungs for Life campaign, including in Pakistan, Nepal and Ghana
- A new initiative was launched to reach children with the key messages about lung health - “HLfL for Schools”. In this first stage
- ELF grew its annual fundraised income to €70,000. This has shown us that we are able to attract donors, and we continue to work towards building this income, with big ambitions for the next financial year

Ensuring good governance

- Appointed the next ELF Chair - Dimitris Kontopidis.
- Published a sustainability policy.

Financial review

The charity's total income for the year was £527,663 (2022: £523,219). Expenditure amounted to £729,875 (2022: £527,497) leaving a deficit of £202,212 (2022: deficit of £4,278). Restricted funds totalled £94,875 (2022: £122,976) and unrestricted funds £536,139 (2022: £710,250), of which £523,723 were freely available.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use are maintained at a limited level. Generally speaking, reserves are aimed to be kept at around 6-9 months of expenditure - such that they are of sufficient size to act as a buffer zone for any unforeseen costs to ensure the charity can continue its current activities in the forthcoming year.

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ELF’s funding sources have been being diversified and the most significant funding source of the charity, the European Respiratory Society (Lausanne) funds constituted only 52% of the ELF income. The funds provided have been utilised to further the objectives as described above. The percecntage of funding received from the European Respiratory Society (Lausanne) is much lower than previous years andshows ELF's funding streams are getting stronger with less reliance on this usual source of funding.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The major risks include a loss of income from the European Respiratory Society. This is mitigated by a contract between the parties ensuring that European Lung Foundation will have notice of more than one financial year in advance of any changes in planned funding. This time will enable European Lung Foundation to find alternative sources of funding, if required.

Another risk facing the charity is the loss of EU funding. This risk is mitigated by ensuring that the charity is involved in as many project applications as it has capacity using different EU funding streams. EU funding makes up a limited amount of the overall income and so would have limited affect, should funding be lost. ELF has also opened a branch office in Brussels to mitigate any effects of Brexit.

ELF has now employed a full-time fundraiser and recruited a fundraising expert to the board to further investigate funding options, including individuals, foundations and companies.

Plans for future periods

The aims of the European Lung Foundation in 2023/2024 are to continue to translate the work of respiratory professionals to the public and patients to improve knowledge about lung disease specifically and to improve patient and public influence on respiratory health and medicine.

The European Lung Foundation will also continue working on its current EU projects, as well as potentially being involved with a number of new projects and project applications in 2023/2024, including its first application as coordinator.

ELF will start working within the parameters of a new strategy from 2023, which has been defined by ELF and all its stakeholders.

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Structure, governance and management

The charity is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have any share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr W Bill	
Prof. J A Chorostowska-Wynimko	(Resigned 4 September 2022)
Mr K S Hansen	
Prof. J G Aymerich	(Appointed 4 September 2022)

The directors are appointed by the Executive Committee of the ultimate controlling party, European Respiratory Society, which is based in Switzerland. It is the normal duty of the Secretary General of the European Respiratory Society and the Chair of the European Lung Foundation to become directors of the charitable company.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The European Lung Foundation Council is the main decision-making body of the charitable company. This is made up of five members of the European Respiratory Society and five patient members. Meetings of the Council are held a minimum of 3 times a year and decisions are made via majority vote. Members of the Council include the directors of the charitable company. The Director of the European Lung Foundation makes decisions about the everyday running of the charitable company, based on a strategy defined every 3 years, and a work plan and budget agreed annually with the European Lung Foundation Council. The Director of the European Lung Foundation may from time to time consult with the European Lung Foundation Chair and Secretary (both of whom are directors) for approval on certain decisions.

All new trustees will meet with the European Lung Foundation Director and Chair immediately after their appointment. In this meeting the functioning of the charity and the trustee's role and responsibilities will be outlined in detail together with an accompanying document. If required, new trustees are invited to the European Lung Foundation office in Sheffield to provide a more in-depth overview of the foundation's activities and to meet the staff.

The pay of key management personnel is reviewed annually in December. The Director of the European Lung Foundation proposes a salary increment and bonus, which is benchmarked against other comparable positions in the UK. Two members of the ERS leadership then assess the level of proposed pay and modify as appropriate before giving their approval.

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Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

DocuSigned by:
Kjeld Hansen
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Mr K S Hansen
Trustee
Dated: 11 December 2023

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EUROPEAN LUNG FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of European Lung Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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UHY Hacker Young
Chartered Accountants

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION

Opinion

We have audited the financial statements of European Lung Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 11 December 2023

Chartered Accountants
Statutory Auditor

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EUROPEAN LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
		£	£	£	£	£	£
Income from:							
Donations	**3**	49,379	-	49,379	20,285	-	20,285
Charitable activities							
The relief and care of lung disease	**4**	364,711	113,573	478,284	419,323	83,611	502,934
Total income		414,090	113,573	527,663	439,608	83,611	523,219
Expenditure on:							
Charitable activities							
The relief and care of lung disease	**5**	588,201	141,674	729,875	429,069	98,428	527,497
Total charitable expenditure		588,201	141,674	729,875	429,069	98,428	527,497
Net expenditure for the year/ Net movement in funds		(174,111)	(28,101)	(202,212)	10,539	(14,817)	(4,278)
Fund balances at 1 April 2022		710,250	122,976	833,226	699,711	137,793	837,504
Fund balances at 31 March 2023		536,139	94,875	631,014	710,250	122,976	833,226

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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EUROPEAN LUNG FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	**11**		10,880		23,936
Tangible assets	**12**		1,536		2,603
			12,416		26,539
Current assets					
Debtors	**13**	308,190		41,693	
Cash at bank and in hand		370,115		945,362	
		678,305		987,055	
Creditors: amounts falling due within one year	**14**	(59,707)		(180,368)	
Net current assets			618,598		806,687
Total assets less current liabilities			631,014		833,226
Income funds					
Restricted funds	**16**		94,875		122,976
Unrestricted funds			536,139		710,250
			631,014		833,226

The financial statements were approved by the board of directors and authorised for issue on 11 December 2023 and are signed on its behalf by:

DocuSigned by:
Kjeld Hansen
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Mr K S Hansen
Trustee

Company Registration No. 05718525

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EUROPEAN LUNG FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**19**		(575,247)		352,420
Investing activities					
Purchase of intangible assets		-		(19,584)	
Purchase of tangible fixed assets		-		(207)	
Net cash used in investing activities			-		(19,791)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(575,247)		332,629
Cash and cash equivalents at beginning of year			945,362		612,733
Cash and cash equivalents at end of year			370,115		945,362

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1 Accounting policies

Company information

European Lung Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 442 Glossop Road, Sheffield, South Yorkshire, S10 2PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. The Charity also uses Euros as a functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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1 Accounting policies (Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure.

Charitable activities represent the direct costs incurred in the provision of the company's services, and include all support costs.

Governance costs represent costs of managing and administering the charitable company as a statutory vehicle.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33%/12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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1 Accounting policies **(Continued)**

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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 financing 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.

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1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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1 Accounting policies (Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the 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. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	49,379	-	49,379	20,285	-	20,285

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4 Charitable activities

	2023 £	2022 £
Services provided under contract	478,284	502,934
Analysis by fund		
Unrestricted funds	364,711	419,323
Restricted funds	113,573	83,611
	478,284	502,934

The company received unrestricted income under a service agreement of £275,269 (2022 - £379,607) from European Respiratory Society during the year.

In addition, the company received restricted grants during the year as follows:- 3TR - £7,311 (2022 - £17,468); DiscoverAir £3,076 (2022: £3,076); Dragon Project £51,618 (2022: £nil); FAIR Project £17,518 (2022: £1,262); BetterB £2,762 (2022: £7,485); UNITE4TB £9,631 (2022: £31,832); Optima £21,657 (2022: £22,488).

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5 Charitable activities

	2023	2022
	£	£
Staff costs	476,577	404,415
Depreciation and impairment	14,123	13,358
Publishing costs	59,244	25,097
Media and marketing costs	49,035	39,074
Allowances and honorariums	8,975	5,342
Recruitment and training	7,702	1,704
Staff travel	13,760	875
Rent and service charges	12,836	12,699
Telephone	1,326	801
Computer costs	11,071	6,310
Legal and professional	22,212	11,014
Bank charges	903	56
Exchange rate variance	3,902	(4,628)
Subscriptions	685	628
Insurance	7,333	6,791
Other charitable expenditure	3,767	2,161
	693,451	525,697
Grant funding of activities (see note 6)	34,424	-
Share of governance costs (see note 7)	2,000	1,800
	729,875	527,497
Analysis by fund		
Unrestricted funds	588,201	429,069
Restricted funds	141,674	98,428
	729,875	527,497

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6 Grants payable

	2023	2022
	£	£
Grants to institutions (1 grants):		
Lungs Europe	34,424	-

-

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Audit fees	-	2,000	2,000	-	1,800	1,800
	-	2,000	2,000	-	1,800	1,800
Analysed between						
Charitable activities	-	2,000	2,000	-	1,800	1,800

Governance costs includes payments to the auditors of £2,000 (2022: £1,800) for audit fees and legal and professional fees includes payments to the auditors of £2,000 (2022: £1,800) for other services carried out during the year.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and one of them was reimbursed £ 1,349 for expenses, in relation to travelling and subsistence (2022: none).

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9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Directors	2	2
Managers	1	1
Administration	8	9
	11	12

Employment costs	2023 £	2022 £
Wages and salaries	421,571	358,099
Social security costs	41,091	33,494
Other pension costs	13,915	12,822
	476,577	404,415

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£100,000 and above	1	1

Contributions totalling £3,957 (2022: £3,752) were made to a defined contribution pension scheme on behalf of the employee whose emoluments exceed £60,000.

10 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

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11 Intangible fixed assets

	Software
	£
Cost	
At 1 April 2022 and 31 March 2023	39,168
Amortisation and impairment	
At 1 April 2022	15,232
Amortisation charged for the year	13,056
At 31 March 2023	28,288
Carrying amount	
At 31 March 2023	10,880
At 31 March 2022	23,936

12 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 April 2022	17,339
At 31 March 2023	17,339
Depreciation and impairment	
At 1 April 2022	14,736
Depreciation charged in the year	1,067
At 31 March 2023	15,803
Carrying amount	
At 31 March 2023	1,536
At 31 March 2022	2,603

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13 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	8,512	-
Amount owed by parent undertaking	204,017	-
Amounts owed by fellow group undertakings	50,917	12,637
Other debtors	34,481	10,242
Prepayments and accrued income	10,263	18,814
	308,190	41,693

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	11,461	10,459
Trade creditors	16,853	37,081
Amount due to parent undertaking	-	111,642
Other creditors	3,155	2,478
Accruals and deferred income	28,238	18,708
	59,707	180,368

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £13,332 (2022: £12,822) and all relates to the single activity carried out by the charity. Amounts charged to restricted funds relate to the pension costs incurred for staff working on the relevant restricted funding projects.

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16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£
3TR	-	17,468	(9,062)	8,406	7,311	(15,717)	-
Dragon Project	131,181	-	(44,124)	87,057	51,618	(65,558)	73,117
DiscovAir	4,538	3,076	(7,614)	-	3,076	(1,837)	1,239
BetterB	1,098	7,485	(8,583)	-	2,762	(2,762)	-
FAIR Project	976	1,262	(2,238)	-	17,518	(17,518)	-
UNITE4TB	-	31,832	(14,673)	17,159	9,631	(26,790)	-
Optima	-	22,488	(12,134)	10,354	21,657	(11,492)	20,519
	137,793	83,611	(98,428)	122,976	113,573	(141,674)	94,875

3TR is a large research project funded by the Innovative Medicines Initiative 1 (IMI2). It is the largest project in the field of immunology ever funded by IMI2 to date. It will provide important new insights and information about why a large number of patients suffering from the following seven diseases do not respond to treatment: asthma, COPD, Crohn's disease, ulcerative colitis, multiple sclerosis, systemic lupus erythematosus and rheumatoid arthritis. In this project, ELF is responsible for involving asthma and COPD patients throughout the project and also in dissemination and communication of the project to patients and the public.

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16 Restricted funds **(Continued)**

The Dragon Project is an IMI funded project, using artificial intelligence (AI) and machine learning to deliver a decision support system for the precise coronavirus diagnosis using CT scanning. ELF is involved in patient input and communication and dissemination. ELF hosts the website (europeanlung.org/dragon/).

DiscovAir is a HORIZON2020 funded project that will develop a lung cell atlas. This will be a 3D reconstruction of how the cells in the lungs interact with other cells, certain medications and how the lungs in people with lung diseases are difference from those without disease. ELF is helping getting the patient and public perspective on the project and involved in communication and dissemination.

Better-B is an HORIZON2020 funded study involving international breathlessness experts from respiratory, palliative care and rehabilitative specialisms. The project will test whether an antidepressant can be repurposed to help in managing breathlessness where non-drug treatments cannot be effectively used. ELF is involved in communication and dissemination together with the ERS.

FAIR is an EU-funded project aiming to assess an adjunct to antibiotic therapy as an emerging concept to overcome AMR in pneumonia. The research focusses on the unique immunomodulator flagellin that enhances airway epithelial innate immune defences, and the development of airway-specific aerosol delivery by nebulisation. ELF is involved in communication and dissemination together with the ERS.

UNITE4TB is the newest project of the IMI AMR Accelerator, a public-private collaboration with the shared goal of progressing the development of new medicines to treat or prevent resistant bacterial infections. The 7-year project aims to accelerate and improve the clinical evaluation of combinations of existing and novel drugs, with the goal of developing new and highly active TB treatment regimens for drug-resistant and sensitive TB.

OPTIMA is an Innovative Medicines Initiative (IMI)-funded EU project aiming to ensure that every patient with lung, prostate and breast cancer has access to the most up-to-date individualised treatments and innovative therapies. It will do this by strengthening shared decision-making using dynamic computer-interpretable guidelines, and using AI-driven technology and tools.

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17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Intangible fixed assets	10,880	-	10,880	23,936	-	23,936
Tangible assets	1,536	-	1,536	2,603	-	2,603
Current assets/(liabilities)	523,723	94,875	618,598	683,711	122,976	806,687
	536,139	94,875	631,014	710,250	122,976	833,226

18 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	125,160	118,021

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

19 Cash generated from operations

	2023	2022
	£	£
Deficit for the year	(202,212)	(4,278)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	14,123	13,358
Movements in working capital:		
(Increase)/decrease in debtors	(266,497)	274,430
(Decrease)/increase in creditors	(120,661)	68,910
Cash (absorbed by)/generated from operations	(575,247)	352,420

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20 Analysis of changes in net funds

The charity had no debt during the year.

EUROPEAN LUNG FOUNDATION

England & Wales - Charity number 1118930

Accounts

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CHARITY REGISTRATION NUMBER 1118930

COMPANY REGISTRATION NUMBER 05718525

EUROPEAN LUNG FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

UHY Hacker Young
Chartered Accountants

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EUROPEAN LUNG FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Prof. J A Chorostowska-Wynimko Mr K S Hansen
Trustees	Mr W Bill Prof. J A Chorostowska-Wynimko Mr K S Hansen
Head of European Lung Foundation	Dr P Powell
Secretary	W Bill
Charity number	1118930
Company number	05718525
Principal address	442 Glossop Road Sheffield South Yorkshire S10 2PX
Registered office	442 Glossop Road Sheffield South Yorkshire S10 2PX
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF
Bankers	HSBC Bank plc 2 Fargate Sheffield S1 2JS

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EUROPEAN LUNG FOUNDATION

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EUROPEAN LUNG FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objectives are to promote and protect the physical and mental health of sufferers of lung disease and its related risks, primarily in Europe; to advance the education and understanding of the public about lung disease and its related risk factors; to promote research into lung disease for the public benefit.

The European Lung Foundation is a patient-led organisation that works internationally to bring patients and the public together with healthcare professionals to improve lung health an advance diagnosis, treatment and care. The charitable company works to communicate and translate into European languages the work of respiratory professionals to those outside the respiratory field. The European Lung Foundation also works to ensure that people with lung diseases and the general public have the opportunity to influence respiratory research and guidelines at the European level.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the activities are undertaken to further the charity's charitable purposes for the public benefit.

Achievements and performance

The European Lung Foundation has achieved its charitable objectives by educating people across Europe about lung health and disease, as is proved through its website and social media statistics and media and press clippings. It has also increased the accessibility of health professionals and the scientific community to patients through its engagement of patient organisations in the work of the European Lung Foundation.

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GENERAL

- ELF Award presented to Dimitris Kontopidis
- Involved as a founding partner in the formation of the International Respiratory Coalition

WEBSITE

- Continued adjustment and improvement of new website
- Ukrainian resources made more clearly available
- Monthly website sessions in March 2022 were 184,264
- Hired marketing company to optimise SEO, Google Ads, and social media ads
- Monetised YouTube
- Reached pre-redevelopment web stats in Oct 2021 and continuing to climb
- Social media stats continuing to climb

FACTSHEETS

- 4 factsheets produced in 24 languages
- Topics covered included:
    - Data sharing in healthcare
    - Remote care: looking after your health using digital tools
    - Testing your lungs: lung volume tests
    - Testing your lungs: the gas transfer test
- Lay summaries of guidelines produced:
    - Diagnosing adult asthma
    - Diagnosing and treating non-cystic fibrosis bronchiectasis in children
    - Diagnosing childhood asthma
    - Managing bronchiectasis in adults
    - Treating obstructive sleep apnoea using alternatives to CPAP
    - Treating sarcoidosis

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EU PROJECTS
Continued work on several EU projects as follows including 3TR, Better-B, DiscovAIR, FAIR and DRAGON. Work started on OPTIMA and UNITE4TB. Activities include factsheets, conferences, surveys and recruitment support.

PATIENT INPUT

- Patient involvement in more than 39 ERS projects, including 22 Task Forces and 17 CRCs, with several publications, lay guidelines and patient-facing materials produced as a result
- Ongoing management of ELF's 13 Patient Advisory Groups

PATIENTS AT CONGRESS

- At ERS Congress 2021 - 13 patient speakers participated by video in 11 sessions, with 45 registrations from patient organisations and patient representatives
- Successful Virtual Patient organisation networking day
- First patient conference held on long-COVID
- Second patient conference held on bronchiectasis

EPAP

- Relaunched EPAP in English
- New flyer and PAG promotional video produced
- Total for year: 255 fully completed modules

HLfL

- One round of HLfL Global Grants held (28 applications)
    - Five 1,000 euro grants given
    - Events planned for: Ukraine, Pakistan, Italy, Canada and Nepal

FUNDRAISING

- Real challenges faced due to loosing fundraiser role for 6 months. 2021/22 Income: €25,845.

Financial review
The charity's total income for the year was £523,219 (2021: £662,735). Expenditure amounted to £527,497 (2021: £630,647) leaving a deficit of £4,278 (2021: surplus of £32,088). Restricted funds totalled £122,976 (2021: £137,793) and unrestricted funds £710,250 (2021: £699,711), of which £683,711 were freely available.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use are maintained at a limited level. Generally speaking, reserves are aimed to be kept at around 6-9 months of expenditure - such that they are of sufficient size to act as a buffer zone for any unforeseen costs to ensure the charity can continue its current activities in the forthcoming year.

The principal funding source of the charity continued to be European Respiratory Society (Lausanne). The funds provided have been utilised to further the objectives as described above.

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The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The major risks include a loss of income from the European Respiratory Society. This is mitigated by a contract between the parties ensuring that European Lung Foundation will have notice of more than one financial year in advance of any changes in planned funding. This time will enable European Lung Foundation to find alternative sources of funding, if required.

Another risk facing the charity is the loss of EU funding. This risk is mitigated by ensuring that the charity is involved in as many project applications as it has capacity using different EU funding streams. EU funding makes up a limited amount of the overall income and so would have limited affect, should funding be lost. ELF has also opened a branch office in Brussels to mitigate any effects of Brexit.

ELF has now employed a full-time fundraiser and recruited a fundraising expert to the board to further investigate funding options, including individuals, foundations and companies.

Plans for future periods

The aims of the European Lung Foundation in 2022/23 are to continue to translate the work of respiratory professionals to the public and patients to improve knowledge about lung disease specifically.

To improve patient and public influence on respiratory health and medicine.

The European Lung Foundation will also continue working on its current EU projects, as well as being involved with a number of new project applications in 2022/23 - fitting into both of the aims of the European Lung Foundation.

During 2020 and 2021, the COVID19 global pandemic occurred. COVID has impacted ELF in the following ways: all staff have been working from home since March 2020; demands on ELF time have increased due to requests and questions from patients; increased need to provide timely and evidence-based information about COVID; inability to travel from meetings and events; unavailability of patients for ELF activities due to shielding. ELF's income is impacted as its primary funder (ERS) has been unable to hold its annual conference face to face, which means that the budget requested from ERS by ELF has been limited.

To mitigate this ELF has been successful in securing some alternative funding: ELF now has a permanent fundraiser who is looking for and applying for grant opportunities on a regular basis.

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Structure, governance and management
The charity is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have any share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
Mr W Bill
Prof. J A Chorostowska-Wynimko
Mr K S Hansen

The directors are appointed by the Executive Committee of the ultimate controlling party, European Respiratory Society, which is based in Switzerland. It is the normal duty of the Secretary General of the European Respiratory Society and the Chair of the European Lung Foundation to become directors of the charitable company.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The European Lung Foundation Council is the main decision-making body of the charitable company. This is made up of five members of the European Respiratory Society and five other patient members. Meetings of the Council are held a minimum of 3 times a year and decisions are made via majority vote. Members of the Council include the directors of the charitable company. The Director of the European Lung Foundation makes decisions about the everyday running of the charitable company based on a work plan and budget agreed annually with the European Lung Foundation Council. The Director of the European Lung Foundation may from time to time consult with the European Lung Foundation Chair and Secretary (both of whom are directors) for approval on certain decisions.

All new trustees will meet with the European Lung Foundation Director and Chair immediately after their appointment. In this meeting the functioning of the charity and the trustee's role and responsibilities will be outlined in detail together with an accompanying document. If required, new trustees are invited to the European Lung Foundation office in Sheffield to provide a more in-depth overview of the foundation's activities and to meet the staff.

The pay of key management personnel is reviewed annually in December. The Director of the European Lung Foundation proposes a salary increment and bonus, which is benchmarked against other comparable positions in the UK. Two members of the ERS leadership then assess the level of proposed pay and modify as appropriate before giving their approval.

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Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

DocuSigned by:
Kjeld Hansen
791ECFA26366476...

Mr K S Hansen
Trustee
Dated: 30 August 2022

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EUROPEAN LUNG FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of European Lung Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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UHY Hacker Young
Chartered Accountants

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION

Opinion

We have audited the financial statements of European Lung Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 30 August 2022

Chartered Accountants
Statutory Auditor

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EUROPEAN LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
		£	£	£	£	£	£
Income from:							
Donations	**3**	20,285	-	20,285	17,318	-	17,318
Charitable activities							
The relief and care of lung disease	**4**	419,323	83,611	502,934	436,600	208,817	645,417
Total income		439,608	83,611	523,219	453,918	208,817	662,735
Expenditure on:							
Charitable activities							
The relief and care of lung disease	**5**	429,069	98,428	527,497	537,756	92,891	630,647
Total charitable expenditure		429,069	98,428	527,497	537,756	92,891	630,647
Gross transfers between funds		-	-	-	(5,392)	5,392	-
Net income/(expenditure) for the year/ Net movement in funds		10,539	(14,817)	(4,278)	(89,230)	121,318	32,088
Fund balances at 1 April 2021		699,711	137,793	837,504	788,941	16,475	805,416
Fund balances at 31 March 2022		710,250	122,976	833,226	699,711	137,793	837,504

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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EUROPEAN LUNG FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	**11**		23,936		16,320
Tangible assets	**12**		2,603		3,787
			26,539		20,107
Current assets					
Debtors	**13**	41,693		316,123	
Cash at bank and in hand		945,362		612,733	
		987,055		928,856	
Creditors: amounts falling due within one year	**14**	(180,368)		(111,459)	
Net current assets			806,687		817,397
Total assets less current liabilities			833,226		837,504
Income funds					
Restricted funds	**16**		122,976		137,793
Unrestricted funds			710,250		699,711
			833,226		837,504

The financial statements were approved by the board of directors and authorised for issue on 30 August 2022 and are signed on its behalf by:

DocuSigned by:
Kjeld Hansen
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Mr K S Hansen
Trustee

Company Registration No. 05718525

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EUROPEAN LUNG FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	**19**		352,420		246,167
Investing activities					
Purchase of intangible assets		(19,584)		(19,584)	
Purchase of tangible fixed assets		(207)		(2,386)	
Net cash used in investing activities			(19,791)		(21,970)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			332,629		224,197
Cash and cash equivalents at beginning of year			612,733		388,536
Cash and cash equivalents at end of year			945,362		612,733

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1 Accounting policies

Company information

European Lung Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 442 Glossop Road, Sheffield, South Yorkshire, S10 2PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. The Charity also uses Euros as a functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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1 Accounting policies (Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred. Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure.

Charitable activities represent the direct costs incurred in the provision of the company's services, and include all support costs.

Governance costs represent costs of managing and administering the charitable company as a statutory vehicle.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33%/12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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1 Accounting policies (Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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 financing 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.

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1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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1 Accounting policies **(Continued)**

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the 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. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	20,285	-	20,285	17,318	-	17,318

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4 Charitable activities

	2022 £	2021 £
Services provided under contract	502,934	645,417
Analysis by fund		
Unrestricted funds	419,323	436,600
Restricted funds	83,611	208,817
	502,934	645,417

The company received unrestricted income under a service agreement of £379,607 (2021 - £367,181) from European Respiratory Society during the year.

In addition, the company received restricted grants during the year as follows:- 3TR - £17,468 (2021 - £17,991); DiscovAir £3,076 (2021: £22,583); Dragon Project £nil (2021: £167,266); FAIR Project £1,262 (2021: £976); BetterB £7,485 (2021: £nil); UNITE4TB £31,832 (2021: £nil); Optima £22,488 (2021: £nil).

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5 Charitable activities

	2022 £	2021 £
Staff costs	404,415	415,421
Depreciation and impairment	13,358	4,707
Publishing costs	25,097	84,417
Media and marketing costs	39,074	79,603
Allowances and honorariums	5,342	6,836
Recruitment and training	1,704	681
Staff travel	875	1,402
Rent and service charges	12,699	16,472
Telephone	801	687
Computer costs	6,310	4,831
Legal and professional	11,014	26,980
Bank charges	56	725
Exchange rate variance	(4,628)	(34,684)
Subscriptions	628	852
Insurance	6,791	6,463
Other charitable expenditure	2,161	6,192
	525,697	621,585
Grant funding of activities (see note 6)	-	7,412
Share of governance costs (see note 7)	1,800	1,650
	527,497	630,647
Analysis by fund		
Unrestricted funds	429,069	537,756
Restricted funds	98,428	92,891
	527,497	630,647

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6 Grants payable

	2022	2021
	£	£
European Lung Foundation Europe	-	2,858
Grants to individuals	-	4,554
	-	7,412

-

7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Audit fees	-	1,800	1,800	-	1,650	1,650
	-	1,800	1,800	-	1,650	1,650
Analysed between						
Charitable activities	-	1,800	1,800	-	1,650	1,650

Governance costs includes payments to the auditors of £1,800 (2021: £1,650) for audit fees and legal and professional fees includes payments to the auditors of £1,800 (2021: £1,650) for other services carried out during the year.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but none of them were reimbursed for expenses, in relation to travelling and subsistence (2021: one was reimbursed a total of £63).

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9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Directors	2	2
Managers	1	1
Administration	9	10
	12	13

Employment costs	2022 £	2021 £
Wages and salaries	358,099	370,355
Social security costs	33,494	32,338
Other pension costs	12,822	12,728
	404,415	415,421

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£90,000 to £99,999	-	1
£100,000 and above	1	-

Contributions totalling £3,752 (2021: £3,418) were made to a defined contribution pension scheme on behalf of the employee whose emoluments exceed £60,000.

10 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

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11 Intangible fixed assets

	Software £
Cost	
At 1 April 2021	19,584
Additions - separately acquired	19,584
At 31 March 2022	39,168
Amortisation and impairment	
At 1 April 2021	3,264
Amortisation charged for the year	11,968
At 31 March 2022	15,232
Carrying amount	
At 31 March 2022	23,936
At 31 March 2021	16,320

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2021	17,132
Additions	207
At 31 March 2022	17,339
Depreciation and impairment	
At 1 April 2021	13,346
Depreciation charged in the year	1,390
At 31 March 2022	14,736
Carrying amount	
At 31 March 2022	2,603
At 31 March 2021	3,787

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13 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	-	18,496
Amount owed by parent undertaking	-	259,291
Amounts owed by fellow group undertakings	12,637	-
Other debtors	10,242	18,573
Prepayments and accrued income	18,814	19,763
	41,693	316,123

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	10,459	11,129
Trade creditors	37,081	71,266
Amount due to parent undertaking	111,642	-
Other creditors	2,478	2,532
Accruals and deferred income	18,708	26,532
	180,368	111,459

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £12,822 (2021: £12,728) and all relates to the single activity carried out by the charity. Amounts charged to restricted funds relate to the pension costs incurred for staff working on the relevant restricted funding projects.

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16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds				Movement in funds		
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
3TR	13,890	17,991	(31,881)	-	-	17,468	(9,062)	8,406
Dragon Project	-	167,267	(36,086)	-	131,181	-	(44,124)	87,057
Healthy Lungs for Life	2,585	-	(2,585)	-	-	-	-	-
DiscovAir	-	22,583	(18,045)	-	4,538	3,076	(7,614)	-
BetterB	-	-	(4,294)	5,392	1,098	7,485	(8,583)	-
FAIR Project	-	976	-	-	976	1,262	(2,238)	-
UNITE4TB	-	-	-	-	-	31,832	(14,673)	17,159
Optima	-	-	-	-	-	22,488	(12,134)	10,354
	16,475	208,817	(92,891)	5,392	137,793	83,611	(98,428)	122,976

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16 Restricted funds **(Continued)**

3TR is a large research project funded by the Innovative Medicines Initiative 1 (IMI2). It is the largest project in the field of immunology ever funded by IMI2 to date. It will provide important new insights and information about why a large number of patients suffering from the following seven diseases do not respond to treatment: asthma, COPD, Crohn's disease, ulcerative colitis, multiple sclerosis, systemic lupus erythematosus and rheumatoid arthritis. In this project, ELF is responsible for involving asthma and COPD patients throughout the project and also in dissemination and communication of the project to patients and the public.

The donation received for the Healthy Lungs for Life was used to help pay grants to individuals and organisations under that programme. These were paid in July 2020.

The Dragon Project is an IMI funded project, using artificial intelligence (AI) and machine learning to deliver a decision support system for the precise coronavirus diagnosis using CT scanning. ELF is involved in patient input and communication and dissemination. ELF hosts the website (europeanlung.org/dragon/).

DiscovAir is a HORIZON2020 funded project that will develop a lung cell atlas. This will be a 3D reconstruction of how the cells in the lungs interact with other cells, certain medications and how the lungs in people with lung diseases are difference from those without disease. ELF is helping getting the patient and public perspective on the project and involved in communication and dissemination.

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16 Restricted funds **(Continued)**

Better-B is an HORIZON2020 funded study involving international breathlessness experts from respiratory, palliative care and rehabilitative specialisms. The project will test whether an antidepressant can be repurposed to help in managing breathlessness where non-drug treatments cannot be effectively used. ELF is involved in communication and dissemination together with the ERS.

FAIR is an EU-funded project aiming to assess an adjunct to antibiotic therapy as an emerging concept to overcome AMR in pneumonia. The research focusses on the unique immunomodulator flagellin that enhances airway epithelial innate immune defences, and the development of airway-specific aerosol delivery by nebulisation. ELF is involved in communication and dissemination together with the ERS.

UNITE4TB is the newest project of the IMI AMR Accelerator, a public-private collaboration with the shared goal of progressing the development of new medicines to treat or prevent resistant bacterial infections. The 7-year project aims to accelerate and improve the clinical evaluation of combinations of existing and novel drugs, with the goal of developing new and highly active TB treatment regimens for drug-resistant and sensitive TB.

OPTIMA is an Innovative Medicines Initiative (IMI)-funded EU project aiming to ensure that every patient with lung, prostate and breast cancer has access to the most up-to-date individualised treatments and innovative therapies. It will do this by strengthening shared decision-making using dynamic computer-interpretable guidelines, and using AI-driven technology and tools.

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17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Intangible fixed assets	23,936	-	23,936	16,320	-	16,320
Tangible assets	2,603	-	2,603	3,787	-	3,787
Current assets/ (liabilities)	683,711	122,976	806,687	679,604	137,793	817,397
	710,250	122,976	833,226	699,711	137,793	837,504

18 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	118,021	104,115

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

19 Cash generated from operations

	2022	2021
	£	£
(Deficit)/surplus for the year	(4,278)	32,088
Adjustments for:		
Depreciation and impairment of tangible fixed assets	13,358	4,707
Movements in working capital:		
Decrease in debtors	274,430	148,389
Increase in creditors	68,910	60,983
Cash generated from operations	352,420	246,167

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20 Analysis of changes in net funds

The charity had no debt during the year.

EUROPEAN LUNG FOUNDATION

England & Wales - Charity number 1118930

Accounts

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CHARITY REGISTRATION NUMBER 1118930

COMPANY REGISTRATION NUMBER 05718525

EUROPEAN LUNG FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

UHY Hacker Young
Chartered Accountants

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EUROPEAN LUNG FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Prof. J Chorostowska-Wynimko Mr K Hansen	
Trustees	Mr W Bill Prof. J Chorostowska-Wynimko Mr K Hansen	 (Appointed 7 September 2020)
Head of European Lung Foundation	Dr P Powell	
Secretary	W Bill	
Charity number	1118930	
Company number	05718525	
Principal address	442 Glossop Road Sheffield South Yorkshire S10 2PX	
Registered office	442 Glossop Road Sheffield South Yorkshire S10 2PX	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	
Bankers	HSBC Bank plc 2 Fargate Sheffield S1 2JS	

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EUROPEAN LUNG FOUNDATION

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EUROPEAN LUNG FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objectives are to promote and protect the physical and mental health of sufferers of lung disease and its related risks, primarily in Europe; to advance the education and understanding of the public about lung disease and its related risk factors; to promote research into lung disease for the public benefit.

The European Lung Foundation aims to bring together patients and the public with respiratory professionals. The charitable company works to communicate and translate into European languages the work of respiratory professionals to those outside the respiratory field. The European Lung Foundation also works to ensure that people with lung diseases and the general public have the opportunity to influence respiratory research and guidelines at the European level.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the activities are undertaken to further the charity's charitable purposes for the public benefit.

Achievements and performance

The European Lung Foundation has achieved its charitable objectives by educating people across Europe about lung health and disease, as is proved through its website and social media statistics and media and press clippings. It has also increased the accessibility of health professionals and the scientific community to patients through its engagement of patient organisations in the work of the European Lung Foundation.

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Specific achievements of the European Lung Foundation during the year were as follows:

General

- MEP Lung Health Group formed
- New ELF Chair in place
- ELF strategy developed and finalised
- ELF Award presented to all healthcare workers in the fight against COVID-19 https://www.youtube.com/watch?v=Npj3NbmW3eQ
- COPD art contest run (with >50 submissions)
- ELF board modified – now a 50/50 split ERS leadership/patients

Website

- Website stats - 1.6 m sessions / 1.4 m users
- Social media followers and interactions increased
- Launched Instagram
- New ELF website launched

Factsheets

- 7 factsheets produced in 24 languages
- Number of factsheet downloads over year 53,218

EU Projects

- Involved in 8 applications
- 3 successful (UNITE4TB, OPTIMA, EURISE-REST)
- 5 ongoing (3TR, BETTER-B, DiscovAIR, FAIR, DRAGON)

Patient Input

- United Patient Advisory Group (UPAG) set up (one representative from each PAG) and first meeting run
- 4 new PAGs in COVID-19, PCD, PF and Aspergillosis
- Patient involvement in more than 35 ERS projects, including 20 Task Forces and 15 CRCs
- Involved in 11 publications

Patient Priorities

- Sarcoidosis patient priorities website launched (April 2020)
- Lung cancer treatment decision aid launched in German and English
- Survey on journey to diagnosis and airway clearance for people with bronchiectasis
- Survey on research priorities for paediatric bronchiectasis with healthcare professionals
- Involved in 3 publications

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Patients At Congress

- Successful first Virtual Patient organisation networking day
- First patient conference held on bronchiectasis
- Patient speakers in ERS virtual congress 2020

EPAP

- 119 learners enrolled in EPAP with 288 fully completed modules: 227 EN, 7 FR, 42 NL, 0 DE, 11 IT, 1 ES.
- Content review undertaken.

HLfL

- New materials developed for HLfL during COVID-19
- First Virtual Congress challenge held to raise funds for HLFL
- First round of HLfL Global Grants given (35 applications) - events held in: Pakistan, Africa, Nigeria, UK
- Second round of grants given (60 applications) - events held in: Nepal, Pakistan, Bulgaria, Croatia, Tanzania

Fundraising

- Created fundraising strategy
- Created documents and process
- New Support Us section on website created

Financial review

The charity's total income for the year was £662,735 (2020: £962,792). Expenditure amounted to £630,647 (2020: £612,019) leaving a surplus of £32,088 (2020: £350,773). Restricted funds totalled £137,793 (2020: £16,475) and unrestricted funds £699,711 (2020: £788,941), of which £679,604 were freely available.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use are maintained at a limited level. Generally speaking, reserves are aimed to be kept at around 6-9 months of expenditure - such that they are of sufficient size to act as a buffer zone for any unforeseen costs to ensure the charity can continue its current activities in the forthcoming year. Due to the financial pressures incurred by ERS in 2020/21 in relation to the inability to hold its annual congress, the ELF repaid some reserves.

The principal funding source of the charity continued to be European Respiratory Society (Lausanne). The funds provided have been utilised to further the objectives as described above.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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The major risks include a loss of income from the European Respiratory Society. This is mitigated by a contract between the parties ensuring that European Lung Foundation will have notice of more than one financial year in advance of any changes in planned funding. This time will enable European Lung Foundation to find alternative sources of funding, if required.

Another risk facing the charity is the loss of EU funding. This risk is mitigated by ensuring that the charity is involved in as many project applications as it has capacity using different EU funding streams. EU funding makes up a limited amount of the overall income and so would have limited affect, should funding be lost. ELF has also opened a branch office in Brussels to mitigate any effects of Brexit.

ELF has now employed a full-time fundraiser and recruited a fundraising expert to the board to further investigate funding options, including individuals, foundations and companies.

Plans for future periods

The aims of the European Lung Foundation in 2021/22 are to continue to translate the work of respiratory professionals to the public and patients to improve knowledge about lung disease specifically: management of the lay press and media activities of the ERS; running and coordinating a global lung awareness campaign called Healthy Lungs for Life in collaboration with the European Respiratory Society; growing the new website; developing patient information.

To improve patient and public influence on respiratory health and medicine, European Lung Foundation will: ensure that its structure is fit for purpose; update, promote and translate its patient training programme (European Patient Ambassador Programme) to facilitate patient and the public to interact with healthcare professionals, politicians and the media; work with scientific guideline groups in Europe to ensure that patient and public input is possible and facilitated; further strengthen its network of patients organisations and the work that they do.

The European Lung Foundation will also continue working on its current EU projects, as well as being involved with a number of new project applications in 2021/22 - fitting into both of the aims of the European Lung Foundation.

During 2020 and 2021, the COVID19 global pandemic occurred. COVID has impacted ELF in the following ways: all staff have been working from home since March 2020; demands on ELF time have increased due to requests and questions from patients; increased need to provide timely and evidence-based information about COVID; inability to travel from meetings and events; unavailability of patients for ELF activities due to shielding. ELF's income is impacted as its primary funder (ERS) has been unable to hold its annual conference face to face, which means that the budget requested from ERS by ELF has been limited.

To mitigate this ELF has been successful in securing some alternative funding: ELF now has a permanent fundraiser who is looking for and applying for grant opportunities on a regular basis.

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Structure, governance and management

The charity is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have any share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr W Bill	
Mrs I Saraiva	(Resigned 7 September 2020)
Prof. J Chorostowska-Wynimko	
Mr K Hansen	(Appointed 7 September 2020)

The directors are appointed by the Executive Committee of the ultimate controlling party, European Respiratory Society, which is based in Switzerland. It is the normal duty of the Secretary General of the European Respiratory Society and the Chair of the European Lung Foundation to become directors of the charitable company.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The European Lung Foundation Council is the main decision-making body of the charitable company. This is made up of five members of the European Respiratory Society and five other members. Meetings of the Council are held a minimum of 3 times a year and decisions are made via majority vote. Members of the Council include the directors of the charitable company. The Director of the European Lung Foundation makes decisions about the everyday running of the charitable company based on a work plan and budget agreed annually with the European Lung Foundation Council. The Director of the European Lung Foundation may from time to time consult with the European Lung Foundation Chair and Secretary (both of whom are directors) for approval on certain decisions.

All new trustees will meet with the European Lung Foundation Director and Chair immediately after their appointment. In this meeting the functioning of the charity and the trustee's role and responsibilities will be outlined in detail together with an accompanying document. If required, new trustees are invited to the European Lung Foundation office in Sheffield to provide a more in-depth overview of the foundation's activities and to meet the staff.

The pay of key management personnel is reviewed annually in December. The Director of the European Lung Foundation proposes a salary increment and bonus, which is benchmarked against other comparable positions in the UK. Two members of the ERS leadership then assess the level of proposed pay and modify as appropriate before giving their approval.

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Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

DocuSigned by:

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Mr W Bill
Trustee
Dated: 5 September 2021

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EUROPEAN LUNG FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of European Lung Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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UHY Hacker Young
Chartered Accountants

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION

Opinion

We have audited the financial statements of European Lung Foundation (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN LUNG FOUNDATION CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 5 September 2021

Chartered Accountants
Statutory Auditor

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EUROPEAN LUNG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
		£	£	£	£	£	£
Income from:							
Donations	3	17,318	-	17,318	193,207	2,585	195,792
Charitable activities							
The relief and care of lung disease	4	436,600	208,817	645,417	746,023	20,300	766,323
Other trading activities	5	-	-	-	677	-	677
Total income		453,918	208,817	662,735	939,907	22,885	962,792
Expenditure on:							
Charitable activities							
The relief and care of lung disease	6	537,756	92,891	630,647	605,609	6,410	612,019
Total charitable expenditure		537,756	92,891	630,647	605,609	6,410	612,019
Net (outgoing)/ incoming resources before transfers		(83,838)	115,926	32,088	334,298	16,475	350,773
Gross transfers between funds		(5,392)	5,392	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(89,230)	121,318	32,088	334,298	16,475	350,773
Fund balances at 1 April 2020		788,941	16,475	805,416	454,643	-	454,643
Fund balances at 31 March 2021		699,711	137,793	837,504	788,941	16,475	805,416

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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EUROPEAN LUNG FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	**12**		16,320		-
Tangible assets	**13**		3,787		2,844
			20,107		2,844
Current assets					
Debtors	**14**	316,123		464,512	
Cash at bank and in hand		612,733		388,536	
		928,856		853,048	
Creditors: amounts falling due within one year	**15**	(111,459)		(50,476)	
Net current assets			817,397		802,572
Total assets less current liabilities			837,504		805,416
Income funds					
Restricted funds	**17**		137,793		16,475
Unrestricted funds			699,711		788,941
			837,504		805,416

The financial statements were approved by the board of directors and authorised for issue on 5 September 2021 and are signed on its behalf by:

DocuSigned by:

667ECB857D7F40F...

Mr W Bill

Trustee

Company Registration No. 05718525

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EUROPEAN LUNG FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**20**		246,167		(341,660)
Investing activities					
Purchase of intangible assets		(19,584)		-	
Purchase of tangible fixed assets		(2,386)		(438)	
Net cash used in investing activities			(21,970)		(438)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			224,197		(342,098)
Cash and cash equivalents at beginning of year			388,536		730,634
Cash and cash equivalents at end of year			612,733		388,536

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1 Accounting policies

Company information

European Lung Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 442 Glossop Road, Sheffield, South Yorkshire, S10 2PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. The Charity also uses Euros as a functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In making that assessment, the trustees have specifically considered the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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1 Accounting policies (Continued)

1.5 Resources expended

Resources expended are recognised in the year in which they are incurred. Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure.

Charitable activities represent the direct costs incurred in the provision of the company's services, and include all support costs.

Governance costs represent costs of managing and administering the charitable company as a statutory vehicle.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33%/12.5% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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 financing 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.

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1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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1 Accounting policies **(Continued)**

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the 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. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	17,318	-	17,318	193,207	2,585	195,792

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4 Charitable activities

	2021 £	2020 £
Services provided under contract	645,417	766,323
Analysis by fund		
Unrestricted funds	436,600	746,023
Restricted funds	208,817	20,300
	645,417	766,323

The company received unrestricted income under a service agreement of £367,181 (2020 - £726,001) from European Respiratory Society during the year.

In addition, the company received restricted grants during the year as follows:- 3TR - £17,991 (2020 - £20,300); DiscovAir £22,583 (2020: £nil); Dragon Project £167,266 (2020: £nil); FAIR Project £976 (2020: £nil).

5 Other trading activities

	2021 £	2020 £
Rental income	-	677

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6 Charitable activities

	2021 £	2020 £
Staff costs	415,421	342,381
Depreciation and impairment	4,707	1,531
Publishing costs	84,417	63,361
Media and marketing costs	79,603	50,181
Allowances and honorariums	6,836	15,054
Recruitment and training	681	5,331
Staff travel	1,402	17,769
Entertaining	-	7,217
Rent and service charges	16,472	37,591
Telephone	687	628
Computer costs	4,831	6,127
Legal and professional	26,980	41,965
Bank charges	725	770
Exchange rate variance	(34,684)	(173)
Subscriptions	852	2,252
Insurance	6,463	5,535
Other charitable expenditure	6,192	8,335
	621,585	605,855
Grant funding of activities (see note 7)	7,412	4,564
Share of governance costs (see note 8)	1,650	1,600
	630,647	612,019
Analysis by fund		
Unrestricted funds	537,756	605,609
Restricted funds	92,891	6,410
	630,647	612,019

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7 Grants payable

	2021 £	2020 £
Grants to institutions (1 grants):		
European Lung Foundation Europe	2,858	-
Grants to individuals (2 grants)	4,554	4,564
	7,412	4,564

-

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	1,650	1,650	-	1,600	1,600
	-	1,650	1,650	-	1,600	1,600
Analysed between						
Charitable activities	-	1,650	1,650	-	1,600	1,600

Governance costs includes payments to the auditors of £1,650 (2020: £1,600) for audit fees and legal and professional fees includes payments to the auditors of £1,650 (2020: £1,600) for other services carried out during the year.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £63 in expenses, in relation to travelling and subsistence (2020: two were reimbursed £3,989).

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10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Directors	2	2
Managers	1	1
Administration	10	8
	13	11

Employment costs	2021 £	2020 £
Wages and salaries	370,355	305,159
Social security costs	32,338	26,482
Other pension costs	12,728	10,740
	415,421	342,381

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£90,000 and above	1	1

Contributions totalling £3,418 (2020: £3,296) were made to a defined contribution pension scheme on behalf of the employee whose emoluments exceed £60,000.

11 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

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12 Intangible fixed assets

	Software £
Cost	
At 1 April 2020	-
Additions - separately acquired	19,584
At 31 March 2021	19,584
Amortisation and impairment	
At 1 April 2020	-
Amortisation charged for the year	3,264
At 31 March 2021	3,264
Carrying amount	
At 31 March 2021	16,320
At 31 March 2020	-

13 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2020	14,746
Additions	2,386
At 31 March 2021	17,132
Depreciation and impairment	
At 1 April 2020	11,902
Depreciation charged in the year	1,443
At 31 March 2021	13,345
Carrying amount	
At 31 March 2021	3,787
At 31 March 2020	2,844

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14 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	18,496	-
Amount owed by parent undertaking	259,291	430,248
Other debtors	18,573	4,181
Prepayments and accrued income	19,763	30,083
	316,123	464,512

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	11,129	9,249
Trade creditors	71,266	20,608
Other creditors	2,532	2,124
Accruals and deferred income	26,532	18,495
	111,459	50,476

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £12,728 (2020: £10,740) and all relates to the single activity carried out by the charity. Amounts charged to restricted funds relate to the pension costs incurred for staff working on the relevant restricted funding projects.

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17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£
3TR	20,300	(6,410)	13,890	17,991	(31,881)	-	-
Dragon Project	-	-	-	167,267	(36,086)	-	131,181
Healthy Lungs for Life	2,585	-	2,585	-	(2,585)	-	-
DiscovAir	-	-	-	22,583	(18,045)	-	4,538
BetterB	-	-	-	-	(4,294)	5,392	1,098
FAIR Project	-	-	-	976	-	-	976
	22,885	(6,410)	16,475	208,817	(92,891)	5,392	137,793

3TR is a large research project funded by the Innovative Medicines Initiative 1 (IMI2). It is the largest project in the field of immunology ever funded by IMI2 to date. It will provide important new insights and information about why a large number of patients suffering from the following seven diseases do not respond to treatment: asthma, COPD, Crohn's disease, ulcerative colitis, multiple sclerosis, systemic lupus erythematosus and rheumatoid arthritis. In this project, ELF is responsible for involving asthma and COPD patients throughout the project and also in dissemination and communication of the project to patients and the public.

The donation received for the Healthy Lungs for Life was used to help pay grants to individuals and organisations under that programme. These were paid in July 2020.

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17 Restricted funds **(Continued)**

The Dragon Project is an IMI funded project, using artificial intelligence (AI) and machine learning to deliver a decision support system for the precise coronavirus diagnosis using CT scanning. ELF is involved in patient input and communication and dissemination. ELF hosts the website (europeanlung.org/dragon/).

DiscovAir is a HORIZON2020 funded project that will develop a lung cell atlas. This will be a 3D reconstruction of how the cells in the lungs interact with other cells, certain medications and how the lungs in people with lung diseases are difference from those without disease. ELF is helping getting the patient and public perspective on the project and involved in communication and dissemination.

Better-B is an HORIZON2020 funded study involving international breathlessness experts from respiratory, palliative care and rehabilitative specialisms. The project will test whether an antidepressant can be repurposed to help in managing breathlessness where non-drug treatments cannot be effectively used. ELF is involved in communication and dissemination together with the ERS.

FAIR is an EU-funded project aiming to assess an adjunct to antibiotic therapy as an emerging concept to overcome AMR in pneumonia. The research focusses on the unique immunomodulator flagellin that enhances airway epithelial innate immune defences, and the development of airway-specific aerosol delivery by nebulisation. ELF is involved in communication and dissemination together with the ERS.

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18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Intangible fixed assets	16,320	-	16,320	-	-	-
Tangible assets	3,787	-	3,787	2,844	-	2,844
Current assets/ (liabilities)	679,604	137,793	817,397	786,097	16,475	802,572
	699,711	137,793	837,504	788,941	16,475	805,416

19 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	104,115	104,437

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

20 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	32,088	350,773
Adjustments for:		
Depreciation and impairment of tangible fixed assets	4,707	1,531
Movements in working capital:		
Decrease/(increase) in debtors	148,389	(405,976)
Increase/(decrease) in creditors	60,983	(287,988)
Cash generated from/(absorbed by) operations	246,167	(341,660)

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21 **Analysis of changes in net funds**

The charity had no debt during the year.