

Registered number: 5780068
Charity number: 1127115

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 December 2021

Pulmonary Vascular Research Institute
(A company limited by guarantee)

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Pulmonary Vascular Research Institute
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**Reference and administrative details of the Charity, its Trustees and advisers
for the year ended 31 December 2021**

Trustees

Professor P A Corris
Sir D Melville (appointed 5 March 2021, resigned 19 January 2022)
Professor S Rich
Mr A J D M Van Den Bergh (resigned 5 March 2021)
Professor M Wilkins
Sir A W G Wylie (appointed 1 February 2021)

Company registered number

5780068

Charity registered number

1127115

Registered office

33 St George's Place
Canterbury
Kent
CT1 1UT

Chief executive officer and company secretary

Mrs S R Barwick

Independent auditors

Kreston Reeves LLP
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

HSBC Bank plc
9 Rose Lane
Canterbury
Kent
CT1 2JP

Handelsbanken
Ground Floor, St Andrew's House
Station Road East
Canterbury
Kent
CT1 2BJ

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Trustees' report
for the year ended 31 December 2021

The Trustees present their Annual Report together with the audited financial statements of Pulmonary Vascular Research Institute for the 1 January 2021 to 31 December 2021.

The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The policies and objectives adopted by the Charity are as follows -

- To investigate the incidence, prevalence and pathobiology of pulmonary vascular disease in under served areas that, to date, have not been well characterised; to identify unique characteristics of the illness including its morbidity and mortality; to establish effective therapies which will be accessible to the affected patients.
- To provide expertise to regions of the world with healthcare disparities which will address issues related to the education and training of healthcare professionals in the area of pulmonary vascular disease.
- To focus on improving the treatment of pulmonary vascular disease worldwide, by promoting research, by educating physicians and by assisting the development and conduct of clinical trials following the highest standards of clinical research.
- To unite all stakeholders of the disease – academia, global drug regulators and industry – and advance drug discovery and development to find better treatments of pulmonary vascular disease.
- To work with global health organisations to raise awareness that pulmonary vascular disease is a global burden that affects many people around the world and lobby for better healthcare provision and drug availability for all patients.

The Trustees confirm that they 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.

The objectives of the Charity are set out above and all of these benefit the public in one way or another. The investigation into pulmonary vascular disease is aimed to benefit the public's health when struck with this disease. The improvement of knowledge, treatment and promotion of research worldwide will again provide a benefit to health care both nationally and worldwide.

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Trustees' report (continued)
for the year ended 31 December 2021

b. Activities for achieving objectives

The Charity will address its objectives primarily by the establishment of focused Task Forces that will design and conduct projects across the broad spectrum of research, education and clinical care related to pulmonary vascular disease. The activities of the Charity include, but are not limited to, the following:

- The Charity will function as a 'think tank' and provide expertise to advise physicians, scientists, health authorities and the pharmaceutical industry regarding medical technologies and pharmaceuticals relevant to pulmonary vascular disease.
- The Charity will serve as a bridge between government organisations, NGOs, academia, industry, foundations and various countries.
- The Charity will sponsor international clinical and research fellowships along with continuing education to physicians from under-served countries who wish to pursue careers in pulmonary vascular disease at recognised Centres of Excellence around the world.
- The Charity will establish an international database on patients with pulmonary vascular disease to allow a meaningful understanding of the similarities and differences in the spectrum of the illness worldwide.
- The Charity will develop web-based educational materials, advice and guidelines on the management of pulmonary vascular disease accessible to people involved in healthcare delivery.
- The Charity will conduct workshops on the modern methods to evaluate patients, determine accurate diagnoses and monitor the efficacy of treatments. These will be offered to physicians and non-physicians.
- The Charity will conduct periodic international symposia to disseminate information acquired from the Charity's activities and identify research projects relevant to its activities.

c. Grant making policies

The Trustees decide periodically how to apply the Charity's incoming resources in accordance with the terms of its constitution.

Achievements and performance

a. Review of activities

The outline below highlights some of the operational activities that took place during the year:

Series of monthly webinars

Due to global COVID-19 pandemic, the worldwide lockdowns and cancellation of all international face-to-face meetings, the PVRI leadership embarked on an ambitious plan to convert the scientific content that is usually presented during the live face-to-face annual scientific meetings, into a series of monthly webinars. Throughout 2021, PVRI2021 featured monthly 2-hour webinars which focused on novel topics and included international leading speakers and moderators from all around the world. In addition to the monthly webinars, the Charity also launched a monthly series of genomics webinars which were dedicated to highlighting the genetic connections to pulmonary vascular disease. All webinars proved extremely popular engaging over 80 speakers, 27 abstract presenters and broadcasted to over 80 countries. On average the webinars attracted an audience of around 200 international participants per month. All webinars and talks were recorded and available to the PVRI membership via the website.

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Trustees' report (continued)
for the year ended 31 December 2021

International Consortium for Genetic Studies in PAH (PAH-ICON)

The International Consortium for Genetic Studies in PAH (PAH-ICON) has come under the umbrella of the PVRI and has continued to go from strength to strength including a series of monthly Task Force webinars attracting an international audience. We are grateful to all organisers, presenters and participants.

Task Force Activity

The 'unsung heroes' of the PVRI are our Task Force leaders and all our active members throughout the world. It is through them that the PVRI fulfils its mission and brings the PVRI to the world. Due to the COVID-19 pandemic, many of our regional Task Forces converted their usual annual symposia into online webinars. Furthermore, the PVRI Innovative Drug Development Initiative (IDDI) published a series of position statements on clinical trial design, biomarkers, endpoints and repurposing drugs. Our sincere thanks to all Task Force leaders and their members for their hard work, commitment and support.

PVRI Membership

The PVRI network has expanded to over 10,000 people, spread around 103 different countries. The PVRI is immensely proud of its international reach and global representation and would like to thank all members for their continued support.

PVRI Publications - Pulmonary Circulation

2021 has been a year of development and growth for our journal Pulmonary Circulation. We welcomed a new Editor-in-Chief, Dr. Anna Hemnes, who took over the reins from Professor Nick Morrell. Furthermore, we achieved our highest ever Impact Factor of 3.017. During the year, we received 362 submissions of which 40% of research articles were published, with a total of 1,300 articles. Furthermore, we have initiated a new selected a new publisher, Wiley, who will take over from Sage in January 2022.

The Charity expresses its thanks to the Chief Editors, Jason Yuan and Anna Hemnes, as well as former Chief Editor Nick Morrell, the Deputy Editors, Kurt Stenmark, Irene Lang and Patricia Thistlethwaite, as well as the entire Pulmonary Circulation team. Further thanks go to the Charity's publishing consultant Michael Brown and publisher Sage for their help and support throughout the year.

The PVRI Digital Clinic and Memorandum of Understanding with the American Heart Association (AHA)

The PVRI Digital Clinic is an innovative online diploma learning course aimed at heart and lung specialists who want to learn more about pulmonary hypertension. The course has been extended to 15 patient cases and attracted the interest of the American Heart Association (AHA), the largest medical society in the world with over 40,000 members worldwide. A Memorandum of Association was signed by both organisations to collaborate and for AHA to adopt the PVRI Digital Clinic onto its e-learning platform as 'the' preferred educational tool for pulmonary hypertension. This is a major accreditation for PVRI and success for the charity, which will spread understanding of the disease worldwide.

CMREF Grant Awards

In 2019, the Charity was successful in the award of a substantial grant from the Cardiovascular Medical Research and Education Fund (CMREF) with agreed sponsorship of annual instalments spreading over six years. The grant is being used in part to develop PVRI GoDeep, a deep phenotyping database on the prevalence of pulmonary hypertension worldwide, with the intention to demonstrate to global health organisations that the disease is a global burden that affects the lives of many patients worldwide.

Furthermore, we received two additional grants from the CMREF for a joint Symposium with the World Health Organization in 2023 and to kick-start a potential subsidiary in India with a separate legal entity. Both projects are being progressed and researched and then funds saved in restricted accounts.

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Trustees' report (continued)
for the year ended 31 December 2021

PVRI Grants

During the year, a substantial grant was awarded to the Justus- Liebig University in Giessen, Germany, for research into the novel CRISPR gene-editing technology. This grant was fully sponsored and funded by The Dinosaur Trust. In addition, the PVRI continued to fund the CMREF supported annual grant for PVRI GoDeep, the deep phenotyping database which is being set up by the Justus- Liebig University in Giessen, Germany, under the current PVRI President Professor Werner Seeger.

b. Financial activities

2021 has been a critical year for the PVRI. The Charity results, as detailed in the subsequent pages, portray a strong position at the balance sheet. In accordance with the Charities SORP (FRS 102), income is recognised when receipt of the income is probable. As a result, the grants awarded in 2021 for the establishment of PVRI India, World Health Organisation Symposium in 2023, and E-learning programme have been recognised in its entirety in 2021. This has resulted in a significant increase in income for the 2021 financial year, showing lower income figures for 2020.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

At 31 December 2021, the Charity has reserves of £3,011,351 of which £769,910 is restricted.

The Trustees have reviewed the reserves of the Charity. This review encompassed the nature of the major income and expenditure streams and the need to match income and expenditure. The Charity's principal source of funds is from the Charity's Roundtable membership fees, as well as from the grant received by the CMREF.

As a result of this review, the Trustees confirmed that, to enable the Charity to continue to meet its objectives, to operate efficiently and to provide a buffer for both planned and unexpected costs in respect of the Charity, an unrestricted general reserve of 12 months average expenditure should be maintained. The Trustees estimate that 12 months expenditure equates to approximately £1.4m. The Trustees are satisfied that the current level of unrestricted general reserves are sufficient to cover 12 months average expenditure. This consideration has included the effects expected of the recent economic climate being COVID-19 and the reserves of the Charity are expected to remain appropriate.

c. Financial review of the year

Thanks to the continued Roundtable membership contributions from the pharma industry, support from the Cardiovascular Medical Research and Education Fund (CMREF), income from membership fees, effective fundraising from the Roundtable and grants received from The Dinosaur Trust, the Charity's finances are in good shape for the future.

Structure, governance and management

a. Constitution

The Charity is registered as a charitable company limited by guarantee and does not have any share capital. The company is constituted under the Memorandum of Association dated 12 April 2006, as amended on 31 October 2008. The company number is 5780068.

The registered charity number 1127115.

Pulmonary Vascular Research Institute
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Trustees' report (continued)
for the year ended 31 December 2021

The principal object of the Charity is the promotion and protection of good health by promoting knowledge and stimulating new ideas in the field of cardiopulmonary medicine, fostering multidisciplinary approaches, collaboration and communication across the science spectrum.

b. Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustees continue to seek to identify suitable individuals with an understanding and the knowledge of pulmonary vascular disease and the health care industry with a view to serving on the board. The Trustees have particular skills which enable them to contribute to the work of the Charity. Their knowledge of good practice, changes in legislation and technical issues is supplemented by publications issued by the Charity Commission and other relevant organisations. New Trustees are provided with detailed background information on the Charity, current financial data and other documents relevant to the operation of the Charity.

c. Organisational structure and decision making

The organisation of the Charity is as follows:

The Board of Directors who are also Trustees, exercise the general control and management.

The CEO, together with the team of employed staff and consultants, oversees the day to day operations of the Charity.

The Charity have a Digital Marketing Manager, an Administrative Manager and a newly recruited Digital Officer to support the increasing membership load, scientific activities and to enhance the series of webinars and online educational activities to sustain the Charity for future years.

d. Risk Management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the members of the board of Trustees on 22 June 2022 and signed on their behalf by:



.....
Professor M Wilkins

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Independent auditors' report to the Members of Pulmonary Vascular Research Institute

Opinion

We have audited the financial statements of Pulmonary Vascular Research Institute (the 'charity') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Pulmonary Vascular Research Institute
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Independent auditors' report to the Members of Pulmonary Vascular Research Institute (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable 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 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; or
- 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Pulmonary Vascular Research Institute
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Independent auditors' report to the Members of Pulmonary Vascular Research Institute (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety and employment law. 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, Statement of Recommended Practice, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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 posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the calculation of discounted grant income. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Confirmed restricted expenditure has been correctly allocated and is appropriate; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Pulmonary Vascular Research Institute
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Independent auditors' report to the Members of Pulmonary Vascular Research Institute (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

6 July 2022

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies:	3				
Grants		-	-	-	55,019
Other donations and legacies		673,625	387,475	1,061,100	438,936
Charitable activities	4	269,761	-	269,761	244,691
Investments	5	30,204	-	30,204	2,684
Other income	6	1,461	-	1,461	-
Total income		975,051	387,475	1,362,526	741,330
Expenditure on:					
Charitable activities	8	986,830	75,665	1,062,495	1,181,857
Total expenditure		986,830	75,665	1,062,495	1,181,857
Net movement in funds		(11,779)	311,810	300,031	(440,527)
Reconciliation of funds:					
Total funds brought forward		2,253,220	458,100	2,711,320	3,151,847
Net movement in funds		(11,779)	311,810	300,031	(440,527)
Total funds carried forward		2,241,441	769,910	3,011,351	2,711,320

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

The notes on pages 14 to 30 form part of these financial statements.

Pulmonary Vascular Research Institute
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Registered number: 5780068

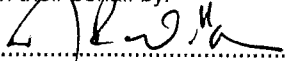
Balance sheet
as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	75,656	94,119
Current assets			
Debtors	13	1,233,794	1,485,011
Cash at bank and in hand		1,985,441	1,203,194
		<u>3,219,235</u>	<u>2,688,205</u>
Creditors: amounts falling due within one year	14	(283,540)	(71,004)
Net current assets		<u>2,935,695</u>	<u>2,617,201</u>
Total net assets		<u><u>3,011,351</u></u>	<u><u>2,711,320</u></u>
Charity funds			
Restricted funds	15	769,910	458,100
Unrestricted funds	15	2,241,441	2,253,220
Total funds		<u><u>3,011,351</u></u>	<u><u>2,711,320</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 22 June 2022 and signed on their behalf by:



Professor M Wilkins

The notes on pages 14 to 30 form part of these financial statements.

Pulmonary Vascular Research Institute
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Statement of cash flows
for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	754,434	(265,172)
Cash flows from investing activities			
Dividends, interests and rents from investments		30,204	2,684
Purchase of tangible fixed assets		(2,391)	(11,241)
Net cash provided by/(used in) investing activities		27,813	(8,557)
Change in cash and cash equivalents in the year		782,247	(273,729)
Cash and cash equivalents at the beginning of the year		1,203,194	1,476,923
Cash and cash equivalents at the end of the year	19	1,985,441	1,203,194

The notes on pages 14 to 30 form part of these financial statements

Pulmonary Vascular Research Institute
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Notes to the financial statements
for the year ended 31 December 2021

1. General information

Pulmonary Vascular Research Institute is a charitable company, limited by guarantee, incorporated in England and Wales.

The Charity's registered office is 33 St George's Place, Canterbury, Kent, CT1 1UT.

The charitable activities of the charity continues to be to bring the best medical professionals in the world together in order to carry out research on pulmonary vascular disease.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Pulmonary Vascular Research Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity's functional and presentational currency is Pounds Sterling.

The Charity's financial statements are presented to the nearest pound.

2.2 Company status

The Charity is a company limited by guarantee and does not have a share capital. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Pulmonary Vascular Research Institute
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Notes to the financial statements
for the year ended 31 December 2021

2. Accounting policies (continued)

2.3 Going concern

The Charity's main source of income is from its charitable objectives being the receipt of donations and grants.

In order to meet its day to day working capital requirements the Charity is dependent upon these donations and grants, the nature of which can have considerable unpredictable variation in the timing of cash inflows.

Given the recent economic climate regarding COVID-19, the Trustees have considered the impact this will have on the Charity. The Trustees have received confirmation from the Cardiovascular Medical Research and Education Fund (CMREF) that the agreed grant which was awarded in 2016 will not be affected by the COVID-19 pandemic and continue to be paid in the agreed annual instalments. From this, it was therefore not thought that global pandemic is would impact the Charity's ability to continue for the next 12 months and sufficient reserves are available to cover any shortfalls.

After making enquires, the Trustees have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

However, the Trustees acknowledge that the Cardiovascular Medical Research and Education Fund (CMREF) has been the Charity's main source of income since 2014. The Trustees are also aware that this fund is being wound down. Therefore, the Trustees must spend considerable efforts in identifying other sources of income which will eventually replace the income from the CMREF to ensure sufficient funds are available that allow the Charity to continue as a going concern into the future.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.5 Deferred income

Where income for membership fees in future accounting periods is reviewed in advance, it is recognised as deferred income. The amounts shown in the balance sheet in respect of the deferred income represent the amounts deferred to future accounting periods.

2.6 Expenditure

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 allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

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Notes to the financial statements
for the year ended 31 December 2021

2. Accounting policies (continued)

2.6 Expenditure (continued)

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

2.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 4 years straight line
Computer equipment	- 3 years straight line
Other fixed assets	- 10 years straight line

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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Notes to the financial statements
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2. Accounting policies (continued)

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

2.15 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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Notes to the financial statements
for the year ended 31 December 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants				
Grants from CMREF and Merck	110,713	387,475	498,188	6,654
Subtotal detailed disclosure	110,713	387,475	498,188	6,654
Donations from pharmaceutical industry and others	521,785	-	521,785	432,282
Donated services	41,127	-	41,127	55,019
Subtotal	562,912	-	562,912	487,301
Total 2021	673,625	387,475	1,061,100	493,955
Total 2020	493,955	-	493,955	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Registration fees of scientific meetings	9,252	9,252	38,252
Research journal	214,482	214,482	166,320
Membership income	46,027	46,027	40,119
Total 2021	269,761	269,761	244,691
Total 2020	244,691	244,691	

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Notes to the financial statements
for the year ended 31 December 2021

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest received	30,204	30,204	2,684
	<hr/>	<hr/>	<hr/>
Total 2020	2,684	2,684	
	<hr/>	<hr/>	

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
HMRC gift aid	1,461	1,461	-
	<hr/>	<hr/>	<hr/>

7. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Giessen Go Deep Project	248,152	248,152	275,823
	<hr/>	<hr/>	<hr/>
Total 2020	275,823	275,823	
	<hr/>	<hr/>	

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Notes to the financial statements
for the year ended 31 December 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
E-Learning	-	61,504	61,504	87,818
Scientific meetings, publications and other charitable activities	738,678	14,161	752,839	818,216
Taskforce projects	248,152	-	248,152	275,823
Total 2021	986,830	75,665	1,062,495	1,181,857
Total 2020	977,187	204,670	1,181,857	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	Total funds 2020 £
E-Learning	-	-	61,504	61,504	87,818
Scientific meetings, publications and other charitable activities	205,028	20,854	526,957	752,839	818,216
Taskforce projects	-	-	248,152	248,152	275,823
Total 2021	205,028	20,854	836,613	1,062,495	1,181,857
Total 2020	197,185	20,058	964,614	1,181,857	

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Notes to the financial statements
for the year ended 31 December 2021

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
E-Learning	61,504	-	-	61,504	87,818
Scientific meetings, publications and other charitable activities	427,506	-	325,333	752,839	818,216
Taskforce projects	-	248,152	-	248,152	275,823
Total 2021	489,010	248,152	325,333	1,062,495	1,181,857
Total 2020	564,216	275,823	341,818	1,181,857	

Analysis of direct costs

	E-learning 2021 £	Scientific meetings, publications and other charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	-	205,028	205,028	197,185
Task force costs	-	-	-	14,137
Travelling and accommodation	-	32,237	32,237	63,213
Travel grants	-	88,009	88,009	95,396
Scientific meetings	-	102,232	102,232	106,467
E-learning	61,504	-	61,504	87,818
Total 2021	61,504	427,506	489,010	564,216
Total 2020	87,818	476,398	564,216	

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Notes to the financial statements
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Scientific meetings, publications and other charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Depreciation	20,854	20,854	20,058
Telephone, computer and internet charges	23,213	23,213	32,996
Printing and stationary costs	306	306	1,131
Office rent and service charges	31,036	31,036	16,600
Advertising and marketing	22,093	22,093	7,041
Sundry expenses	6,387	6,387	14,884
Other accountancy fees	15,620	15,620	10,756
Exchange rate variance	(2,705)	(2,705)	41,876
Legal and professional fees	127,668	127,668	69,387
Bookkeeping	-	-	4,271
Business consultancy and staff training	25,263	25,263	55,887
Interest payable	16	16	-
Bank charges	4,078	4,078	8,209
Google advertising	41,127	41,127	53,369
Insurance	4,572	4,572	33
Repairs and renewals	1,355	1,355	2,140
Auditors remuneration	4,450	4,450	3,180
Total 2021	325,333	325,333	341,818
Total 2020	341,818	341,818	

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Notes to the financial statements
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10. Net income/(expenditure)

This is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	20,854	20,057
Auditors' remuneration - audit	5,340	5,040
Auditors' remuneration - other services	14,730	13,823
Exchange rate variance	(2,705)	41,876
Operating lease rentals:- other operating leases	7,012	12,700
	<u>45,231</u>	<u>93,496</u>

During the year, P Corris, a Trustee, received consultancy fees amounting to £15,000 (2020 - £15,000) for his role as Chief Medical Scientific Officer.

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no trustees received reimbursement of expenses (2020 - 5 Trustees - £11,349).

11. Staff costs

	2021 £	2020 £
Wages and salaries	186,370	181,750
Social security costs	17,301	14,662
Contribution to defined contribution pension schemes	1,357	773
	<u>205,028</u>	<u>197,185</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Staff	4	4

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Notes to the financial statements
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11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £80,001 - £90,000	1	1

During the year, the total amount of employees benefits received by key management personnel for their services to the Charity is £85,770 in remuneration, £10,618 in national insurance with no pension contributions (2020: £81,923 in remuneration, £10,099 in national insurance with no pension contributions).

12. Tangible fixed assets

	Office equipment £	Computer equipment £	Website £	Total £
Cost				
At 1 January 2021	6,752	27,986	152,210	186,948
Additions	-	2,391	-	2,391
At 31 December 2021	<u>6,752</u>	<u>30,377</u>	<u>152,210</u>	<u>189,339</u>
Depreciation				
At 1 January 2021	3,605	23,797	65,427	92,829
Charge for the year	1,861	3,772	15,221	20,854
At 31 December 2021	<u>5,466</u>	<u>27,569</u>	<u>80,648</u>	<u>113,683</u>
Net book value				
At 31 December 2021	<u><u>1,286</u></u>	<u><u>2,808</u></u>	<u><u>71,562</u></u>	<u><u>75,656</u></u>
At 31 December 2020	<u><u>3,147</u></u>	<u><u>4,189</u></u>	<u><u>86,783</u></u>	<u><u>94,119</u></u>

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13. Debtors

	2021	2020
	£	£
Due after more than one year		
Grants receivable	598,520	872,185
	598,520	872,185
Due within one year		
Prepayments	63,732	51,594
Grants receivable	571,542	561,232
	1,233,794	1,485,011

14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	10,728	9,955
Accruals	272,812	61,049
	283,540	71,004

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Notes to the financial statements
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15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds				
Designated funds				
Rupert Swift Award fund	48,550	5,000	-	53,550
General funds				
General Funds	2,204,670	970,051	(986,830)	2,187,891
Total Unrestricted funds	2,253,220	975,051	(986,830)	2,241,441
Restricted funds				
e-learning	28,086	72,319	(61,504)	38,901
PC Journal	430,014	-	(12,547)	417,467
WHO-PVRI Symposium 2023	-	168,912	-	168,912
PVRI India	-	146,244	(1,614)	144,630
	458,100	387,475	(75,665)	769,910
Total of funds	2,711,320	1,362,526	(1,062,495)	3,011,351

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Notes to the financial statements
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15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted funds				
Designated funds				
Rupert Swift Award fund	50,000	50	(1,500)	48,550
General funds				
General Funds	2,439,077	741,280	(975,687)	2,204,670
Total Unrestricted funds	2,489,077	741,330	(977,187)	2,253,220
Restricted funds				
Drug Discovery and Development Symposium fund	57,180	-	(57,180)	-
e-learning	115,904	-	(87,818)	28,086
PC Journal	489,686	-	(59,672)	430,014
	662,770	-	(204,670)	458,100
Total of funds	3,151,847	741,330	(1,181,857)	2,711,320

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Notes to the financial statements
for the year ended 31 December 2021

16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Designated funds	48,550	5,000	-	53,550
General funds	2,204,670	970,051	(986,830)	2,187,891
Restricted funds	458,100	387,475	(75,665)	769,910
	<u>2,711,320</u>	<u>1,362,526</u>	<u>(1,062,495)</u>	<u>3,011,351</u>

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Designated funds	50,000	50	(1,500)	48,550
General funds	2,439,077	741,280	(975,687)	2,204,670
Restricted funds	662,770	-	(204,670)	458,100
	<u>3,151,847</u>	<u>741,330</u>	<u>(1,181,857)</u>	<u>2,711,320</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	75,656	-	75,656
Debtors due after more than one year	598,520	-	598,520
Current assets	1,850,805	769,910	2,620,715
Creditors due within one year	(283,540)	-	(283,540)
Total	<u>2,241,441</u>	<u>769,910</u>	<u>3,011,351</u>

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Notes to the financial statements
for the year ended 31 December 2021

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	94,119	-	94,119
Debtors due after more than one year	872,185	-	872,185
Current assets	1,357,920	458,100	1,816,020
Creditors due within one year	(71,004)	-	(71,004)
Total	2,253,220	458,100	2,711,320

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	300,031	(440,527)
Adjustments for:		
Depreciation charges	20,854	20,057
Dividends, interests and rents from investments	(30,204)	(2,684)
Decrease in debtors	251,217	372,315
Increase/(decrease) in creditors	212,536	(214,333)
Net cash provided by/(used in) operating activities	754,434	(265,172)

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,985,441	1,203,194
Total cash and cash equivalents	1,985,441	1,203,194

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Notes to the financial statements
for the year ended 31 December 2021

20. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,203,194	782,247	1,985,441
	<u>1,203,194</u>	<u>782,247</u>	<u>1,985,441</u>

21. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	7,012
	<u>-</u>	<u>7,012</u>

22. Related party transactions

Consultancy fees were paid to P Corris, a Trustee, in the year of £15,000 (2020 - £15,000) for his role as Chief Medical Scientific Officer.

There were no other related party transactions other than disclosed within these financial statements.

23. Controlling party

The Charity is controlled by the Board of Trustees.