

Asthma Allergy & Inflammation Research Trust Ltd
Financial Statements
Year Ended 31 August 2023

Charity registration number: 1129698
Company registration number: 06767479

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Asthma Allergy & Inflammation Research Trust Ltd

Year Ended 31 August 2023

Charity Reference and Administrative Details

Charity registration number	1129698
Company registration number	06767479
Trustees	Professor D Davies Mr L A S Dunn Professor S T Holgate Professor J Lucas Professor G Roberts Dr J Slater-Jefferies Dr M Synek
Registered office	Mailpoint 810, Level F Southampton General Hospital Tremona Road, Southampton SO16 6YD
Independent Examiner	T C Bentall FCA Tim Bentall LLP Toyd Cottage Rockbourne Fordingbridge SP6 3PF
Solicitors	Paris Smith LLP Number 1 London Road Southampton SO15 7AE
Investment managers	RBC Brewin Dolphin 12 Smithfield Street London EC1A 9LA

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2023

The Trustees present their report and the financial statements of the charity for the year ended 31 August 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Chair's report

The AAIR Charity is proud to raise funds for the world-renowned asthma, allergy and respiratory research department at University Hospital Southampton Faculty of Medicine. The Faculty has experts who have made many important breakthroughs, from understanding mechanisms of disease to pioneering new treatments and influencing guidelines.

Thankfully, the COVID pandemic eased during 2022-2023 and we saw a gradual return to normal life in the UK. However, long COVID continues to be poorly understood, affecting people's lives through persistent fatigue or brain fog, as well as taking them out of the workforce. Furthermore, while the winter months at the end of 2022 saw fewer hospital admissions for COVID-19 than during the first two major outbreaks of the pandemic, there was a much steeper rise in admissions for 'flu and other respiratory viruses, bringing extra pressure on our NHS. Beyond COVID, the Health Effects of Climate Change in the UK 2023 Report highlighted that air pollution is one of the greatest environmental risks to public health in the UK and the effects of climate change on outdoor air pollution was highlighted as a major concern. Importantly, some people are more susceptible to the health effects of air pollution including those with pre-existing respiratory and cardiovascular diseases, young people, pregnant women, older people and low-income communities. Given the burden of lung disease, it is unsurprising that the UK Government's 2021 Life Sciences Vision, which focuses on helping the NHS to solve some of the biggest healthcare problems of our generation, identified reducing morbidity and mortality from respiratory disease as one of the seven healthcare mission priorities.

During 2022-2023, Southampton's respiratory doctors, nurses and researchers have continued to work towards better understanding and approaches for treatment of respiratory and allergic diseases. The AAIR Charity is committed to help achieve these goals especially through leveraging our funding by pump-prime studies for larger grant applications and supporting the next generation of respiratory research scientists. For example, AAIR funded a feasibility study in asthmatic children which was used to develop a protocol for a full randomised study which is now funded by the National Institute for Health and Research (NIHR). The Prescription Alerts for Reliever inhalers in Children (PARC) project will determine whether targeted, enhanced asthma reviews in high-risk children can prevent severe asthma attacks and are cost-effective. AAIR-funded researchers have also developed a complex model of lung alveoli (the air sacs of the lung where the blood exchanges oxygen and carbon dioxide during the process of breathing) which is now being used to analyse the effect of air pollution on alveoli. This type of work is important because not only can air pollutants damage the alveoli, but ultrafine particulates (nanoparticles that are less than 100nm diameter) in the air pollution can cross via the alveoli into the circulation to cause further damage to the heart and other organs. Other AAIR-funded projects have focussed on genetic mutations affecting motile cilia (finger-like projections that beat and move microbes and debris such as air pollution particles up and out of the airways). These mutations cause primary ciliary dyskinesia (PCD), an airway disease characterised by mucus build up which leads to inflammation and infection in the lungs. While mutations that affect non-motile cilia (known as primary cilia) can cause a broad spectrum of developmental syndromes affecting several organs, AAIR-funded research has identified a novel mutation in a gene which causes a primary ciliopathy affecting skeletal development, combined with defective motile cilia and PCD. This has expanded the genetic profile of PCD and developed the molecular understanding of motile and primary cilia. Researchers have also developed and characterised an immortalised model of airway epithelium with PCD caused by mutations in the *DNAH5* gene. A LifeArc programme grant will harness this success by developing further PCD-gene models for high throughput screening of novel therapeutics.

On behalf of all the Trustees, I would like to thank our generous donors and benefactors whose continued support is essential for funding new research into asthma and other lung diseases. During 2022-2023, this support has enabled the AAIR Charity to award almost £65,000 to fund a wide range of new projects, provide studentship support, bursaries for the MSc Allergy Course and equipment grants to support studies of asthma, allergy and other lung diseases. For more information, please see our website: (<http://www.aaircharity.org/>).

Donna Davies

Professor D Davies, Chair

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2023

Directors and Trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who served during the year and, unless otherwise noted, since the year end, are as follows:

Professor D Davies
Mr L A S Dunn
Professor S T Holgate
Professor J Lucas
Professor G Roberts
Dr J Slater-Jefferies
Dr M Synek

Objectives and activities

Objectives

The objectives of the charity are:

- The relief of sickness by promotion of research into asthma and associated allergy and airways diseases, and its diagnosis and treatment, principally in the University of Southampton Faculty of Medicine and, by such research, to improve the quality and range of diagnosis and treatment to be offered to patients, and to publish for general as well as medical consideration the results of such research
- To provide education and training on the diagnosis and treatment of asthma, allergy and airways diseases

The strategies employed to achieve the charity's objectives are:

- To present to pharmaceutical producers a vehicle whereby they can contribute to research in to asthma, allergy and inflammation
- To facilitate the purchase of major items of equipment necessary for such research
- To enable researchers within the University of Southampton Faculty of Medicine to attend seminars and conferences throughout the world relating to asthma, allergy and inflammation
- To support the Faculty of Medicine by financing the research fees for holders of specialist skills as and when appropriate to the objectives of the charity
- To provide a vehicle to hold and disperse funds allocated to investigators for work in asthma, allergy and inflammation within the Faculty of Medicine
- To promote and develop the work and study of academics in asthma, allergy and inflammation within the Faculty of Medicine

Activities

Information about how the above strategies are applied is given in *Achievements and Performance* (see below).

Policies

The principal policies of the charity are as follows:

Grant making

To ensure the charity's work delivers its aims and objectives, the Scientific Committee reviews all grant applications and makes recommendations for funding or rejection to the full Board of Trustees based on scientific quality and validity, fit to the Charity objectives and how the proposed work will lead to future external funds.

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2023

Objectives and activities (continued)

Grant making (continued)

The charity is particularly keen to support early career researchers to help them to become more established investigators and this is also reflected in the recommendations made by the Scientific Committee. Each grant award is subject to provision of an annual review of progress, which is assessed by a member of the Scientific Committee, and a final report is required. It is a condition of the award that the applicants acknowledge the AAIR Charity in any publications or presentations to scientific or lay audiences.

Investment

The charity has appointed the professional investment advisers, RBC Brewin Dolphin, to manage its investment portfolio on a discretionary basis.

In October 2016, the charity adopted an Investment Policy that:

- Allows the portfolio to be invested widely
- Requires diversification by asset class and manager, so that one half of the total sum invested carries a very low investment risk profile (cash or near cash investments denominated in sterling) and one half of the sum invested carries a moderate investment risk profile. The asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable and does not conflict with the charity's purpose
- Restricts the proportion of investment in non-sterling assets
- Requires all investments to be realisable within three months
- Seeks a return on non-cash balances of inflation plus 4% per annum over the long term, after expenses

The Investment Policy is reviewed annually.

Reserves

Of the total assets held by the charity, some represent funds that are committed to specific purposes, or to grants and awards, in the form of Restricted Funds and Designated Funds (referred to collectively as 'Committed Funds'), the balance being Uncommitted Funds.

As the charity is unable to predict the level of income, particularly donations and legacies, from year to year, the charity's policy is to retain at least £100,000 of Uncommitted Funds, this level being reviewed annually.

The Designated Funds solely represent the charity's committed expenditure on grants awarded to researchers. The awards are usually time-limited, although an extension will be given if there are good reasons for doing so and providing it results in the original purpose of the award being achieved. Any unused grants are retained by the charity and, in due course, removed from Designated Funds.

Some of the Restricted Funds date back many years and the fund-holder may have retired or moved away from AAIR-related research. In such cases, the charity's policy is to encourage the fund-holder to release the monies to the charity to allow further Designated Fund awards to other AAIR researchers. The fund-holders are offered the incentive of having the award named after them. It is the charity's policy not to release unused Restricted Funds to the fund-holders for purposes other than those permitted by the charity's charitable objects.

Public benefit statement

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The charity is committed to promoting research that contributes to the relief of sickness caused by asthma and associated allergy and airways diseases, and to provide education and training on the diagnosis and treatment of asthma, allergy and airways diseases. In carrying out their activities and making their decisions, the trustees are mindful of the need to comply with their duty to have regard to the guidance on public benefit.

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2023

Structure, governance and management

Governing document

The charity is a private company limited by guarantee and is governed by its Articles of Association, dated 29 November 2021. The company was incorporated on 8 December 2008 and registered as a charity on 18 May 2009. With effect from 1 September 2009, the company took over the activities, assets and liabilities of charity number 803715, which was constituted on 1 May 1990 and registered as a charity on 2 July 1990.

Appointment of Trustees

Trustees are recruited from amongst the senior members of the University of Southampton Faculty of Medicine, members of the medical profession, and members of the general public who are recommended by the trustees and the professional organisations with which the charity is associated.

Trustee induction and training

Potential trustees must be recommended by an existing Director (Trustee) of the Charity. All trustees will be entitled to vote on the appointment of new trustees and they will be given at least seven clear days' notice of any resolution to be put to a meeting to appoint a new trustee. Once their appointment is approved by the trustees, the new trustee will be sent key documents regarding the Charity and its objectives. These will be as follows:

- i. The Charity's Articles of Association (containing the Charity's policy on dealing with conflicts of interest);
- ii. The Charity's latest annual report and accounts;
- iii. Minutes of the most recent trustees' meeting;
- iv. The Charity Commission's essential guidance on being a trustee;
- v. Any other key documents required for the position.

New trustees will be invited to the next Trustees' meeting following their appointment. Their appointment will be formalised at Companies House and the Charity Commission.

Organisation

The board of trustees, which comprises not less than three members (with no maximum), oversees the charity, with delegated authority being given to two sub-committees:

Finance Committee

The Finance Committee has responsibility for operational and financial management. An administrator provides support and coordinates financial information for the Finance Committee and the board of trustees.

During the year, the committee comprised two trustees: Professor Davies (chair) and Mr Dunn.

Scientific Committee

The Scientific Committee scrutinises all scientific grant and scholarship applications, providing recommendations to the trustees on those suitable for funding.

During the year, the committee comprised the following trustees: Professor Lucas, Professor Davies and Dr Synek. Others who supported the committee during the year were Dr Emily Swindle (Associate Professor in Pharmacology), Dr Mark Jones (Associate Professor in Respiratory Medicine) and Professor Tilman Sanchez-Elsner (Professor of Molecular Medicine).

Risk management

The trustees evaluate and monitor risk at their meetings and also through the work of their sub-committees. The principal risks are as follows:

- Safe-keeping and management of money
The financial risk, including the approach to risk inherent in the charity's investment portfolio, is evaluated and monitored by the Finance Committee, which normally meets three times each year and reports to the next meeting of trustees. One member of the Finance Committee monitors the financial position at least monthly, liaising with the administrator and professional bookkeeper as required
- Appropriate scrutiny of grant applications
The Scientific Committee assesses all applications, ensuring that they provide appropriate use of the charity's resources and fulfil the charity's objectives, and reports to the trustees, normally at their next meeting.

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2023

Achievements and performance

Work has continued this year in refining the charity's working practices and record keeping as well as introducing others where necessary. Attendant with the day-to-day running requirements, the trustees have been particularly careful not to neglect any of the charity's generous donors and volunteers, who have continued to support its work, and thank them all for their support.

Historically, legacies have proved to be a substantial part of the charity's donated income and for that the trustees are grateful to the estates and relatives of those legators who have been so generous in their thoughts and actions. In most of these cases the charity has had no previous contact with the legators and its thanks to the families of the deceased can only be channelled through a solicitor; it is the trustees' earnest hope that they reach the intended recipients.

The charity's income is such that it is able to continue its assistance in financing research in the University of Southampton Faculty of Medicine, or the allied Wellcome Trust Clinical Research Facility and NIHR Southampton Biomedical Research Centre.

Most importantly the trustees have been able to continue to support the all-important provision of grants for pump-priming research projects (recommended maximum £10,000 per award), equipment grants (often leveraging against funds from elsewhere) and PhD research Studentships.

During the financial year, the charity received £38,132 (2022: £3,355) in donations and legacies, and incurred expenditure totalling £80,419 (2022: £67,739) in pursuance of its objectives. Awards were made to researchers in the University of Southampton Faculty of Medicine, or the allied Wellcome Trust Clinical Research Facility and NIHR Southampton Biomedical Research Centre, to support new pump-priming project grants to deliver the objectives of the charity.

The preservation of the integrity of the restricted funds remains high on the charity's priority list. These restricted funds are held for the exclusive use of researchers and, in the main, are directly funded by corporate donations and external research grants. The restricted funds are regularly reviewed by the trustees.

Financial review

The charity achieved an overall deficit for the year of £38,812, after net losses on investments of £5,309, (2022: net deficit £138,387, after net losses on investments of £79,140). The principal source of funds during the year was legacies totalling £34,804 (2022: the principal source was investment income of £5,137).

During the year, the charity continued to designate funds, awarding grants of £69,875, which included an adjustment to a grant awarded in a prior year of £5,442 (2022: total awarded £55,829).

At the end of the year, unrestricted funds totalled £380,652 (2022: £415,847). Total charity funds, including restricted reserves of £34,180 (2022: £37,797), amounted to £414,832 (2022: £453,644).

The trustees have been giving further consideration to those individual restricted funds, which have remained unused for several years, in an attempt to ensure that the funds are used for the purposes intended, or otherwise released to the charity for related, appropriate purposes. During the year, with authority from the relevant fundholders, £nil (2022: £10,199) was released from restricted funds to general funds to facilitate further grant awards.

Details of the charity's policy for holding reserves are included in '*Objectives and activities*' (see page 5).

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2023

Trustees' responsibilities

The trustees (who are also directors of Asthma Allergy & Inflammation Research Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board of trustees:



Professor D Davies, Trustee

Date: 16 April 2024

Asthma Allergy & Inflammation Research Trust Ltd

Independent Examiner's Report

Year Ended 31 August 2023

Independent Examiner's Report to the Trustees of Asthma Allergy & Inflammation Research Trust Ltd

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2023 which are set out on pages 10 to 25.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Timothy C Bentall FCA
Tim Bentall LLP
Toyd Cottage
Rockbourne
Fordingbridge
SP6 3PF

Date: 23 April 2024

Asthma Allergy & Inflammation Research Trust Ltd

Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 August 2023

	Note	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	2	38,132	-	38,132	3,355
Investments	3	8,784	-	8,784	5,137
Total income		46,916	-	46,916	8,492
Expenditure on:					
Charitable activities	4	76,802	3,617	80,419	67,739
Total expenditure		76,802	3,617	80,419	67,739
Net gains/(losses) on investments	12	(5,309)	-	(5,309)	(79,140)
Net income/(expenditure)		(35,195)	(3,617)	(38,812)	(138,387)
Transfers between funds		-	-	-	-
Net movement in funds		(35,195)	(3,617)	(38,812)	(138,387)
Reconciliation of funds:					
Total funds brought forward	15	415,847	37,797	453,644	592,031
Total funds carried forward	15	380,652	34,180	414,832	453,644

All income and expenditure derive from continuing activities.

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

Asthma Allergy & Inflammation Research Trust Ltd

Balance Sheet

As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	12	371,812	378,397
Current assets			
Debtors	13	11,321	10,972
Cash at bank and in hand		92,613	77,888
		<u>103,934</u>	<u>88,860</u>
Creditors: amounts falling due within one year	14	60,914	13,613
Net current assets		<u>43,020</u>	<u>75,247</u>
Total assets less current liabilities		<u>414,832</u>	<u>453,644</u>
Net assets		<u>414,832</u>	<u>453,644</u>
Charity Funds			
Restricted funds	15	34,180	37,797
Unrestricted funds	15	380,652	415,847
Total charity funds		<u>414,832</u>	<u>453,644</u>

For the year ending 31 August 2023, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 16 April 2024.

Signed on behalf of the board of trustees:

Donna Davies

Professor D Davies, Trustee

Date: 23/04/2024

Mr L A Dunn

Mr L A Dunn, Trustee

Date: 23 April 2024

The notes on pages 12 to 25 form part of these financial statements.

Company registration number: 06767479

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

1 Summary of significant accounting policies

(a) General information and basis of preparation

Asthma Allergy & Inflammation Research Trust Ltd is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

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

(b) Funds

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

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 cost 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.

(c) Income recognition

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

Donations: if there are conditions attached to the donation and it requires a level of performance before entitlement can be obtained, income is deferred until those conditions are fully met, or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, they can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure,

No amount is included in the financial statements for general volunteer time.

Notes to the Financial Statements

Year ended 31 August 2023

(c) Income recognition (continued)

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and the charity has been notified of an impending distribution, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. When legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed in the notes to the financial statements.

Investment income is earned through holding assets for investment purposes, such as shares, and includes dividends and interest. Income is included when the amount can be measured reliably and the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following activity headings:

- *Expenditure on charitable activities:* includes the costs of making grant awards in furtherance of the charity's key objectives and their associated support costs; and
- *Other expenditure:* represents those items not being 'expenditure on charitable activities' or the cost of raising funds.

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

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, they are accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside of the control of the charity. Conditional grants are treated as designated funds, details of which are shown in note 15.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities; they include office costs, governance costs and administrative costs that are incurred directly in support of expenditure on the objects of the charity. The basis on which support costs have been allocated is set out in note 5.

(f) Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors receivable or payable within one year are recorded at transaction price.

(h) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

(i) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(j) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(k) Judgements and key sources of estimation uncertainty

Apart from those involving estimates, no key judgements have been made in applying the above accounting policies, which have a significant effect on amounts recognised in the financial statements.

No key assumptions have been made concerning the future, and other key sources of estimation uncertainty, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

	2023 £	2022 £
Gifts	2,928	2,907
Legacies	34,804	48
Donated services	400	400
	<u>38,132</u>	<u>3,355</u>

Income from donations and legacies was £38,132 (2022: £3,355) of which £Nil (2022: £Nil) was attributable to restricted and £38,132 (2022: £3,355) to unrestricted funds.

3 Income from investments

	2023 £	2022 £
Interest on deposits	298	3
Income from listed investments	8,486	5,134
	<u>8,784</u>	<u>5,137</u>

All income from investments in both years was attributable to unrestricted funds.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

4 Analysis of expenditure on charitable activities

Expenditure in 2023

	Grant funding of activities £	Support costs £	Total £
Research grants	48,637		
PhD studentships	5,401		
Total payable	<u>54,038</u>	<u>26,381</u>	<u>80,419</u>

Of the total expenditure of £80,419, £3,617 was attributable to restricted funds and £76,802 to unrestricted funds. Details of support costs are given in note 5. All the grant funding is regarded as a single activity for the purposes of allocating support costs.

Expenditure in 2022

	Grant funding of activities £	Support costs £	Total £
Research grants	44,148		
PhD studentships	5,815		
Total payable	<u>49,963</u>	27,076	77,039
Unused expenditure returned	(9,300)	-	(9,300)
	<u>40,663</u>	<u>27,076</u>	<u>67,739</u>

Of the total expenditure of £67,739, £589 was attributable to restricted funds and £67,150 to unrestricted funds. Details of support costs are given in note 5. All the grant funding is regarded as a single activity for the purposes of allocating support costs.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

5 Allocation of support costs

All support costs are attributable to the charity's grant funding activities.

Support costs 2023

	Total £
Governance (note 6)	2,970
Finance	385
Information technology	1,359
Office costs	14,688
Publicity and advertising	1,190
Investment management fees and charges (note 7)	4,694
Professional fees	807
Other	288
Total	26,381

Support costs 2022

	Total £
Governance (note 6)	2,850
Finance	417
Information technology	940
Office costs	15,115
Publicity and advertising	1,038
Investment management fees and charges (note 7)	6,468
Professional fees	168
Other	80
Total	27,076

6 Governance costs

	Note	2023 £	2022 £
Independent examiner's remuneration	9	2,970	2,850

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

7 Investment management costs

	2023 £	2022 £
Investment manager's fees and charges	4,694	6,468
	<u>4,694</u>	<u>6,468</u>

All the above costs in both years were attributable to unrestricted funds.

8 Analysis of grants

Grant awards are made by designating funds for drawing down by the recipient, subject to the ongoing approval of trustees, normally on a staged basis. Amounts drawn down are included in expenditure on charitable activities (note 4); movements on the designated funds are shown in note 15. Grant awards made during the year were as follows:

Grants 2023

	Grants to individuals £	Total £
Research grants awarded	64,433	64,433
Adjustment to grant awarded in previous year	5,442	5,442
	<u>69,875</u>	<u>69,875</u>

Grants 2022

	Grants to individuals £	Total £
Research grants awarded	<u>55,829</u>	<u>55,829</u>

9 Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examination fee of £1,485 (2022 - £1,425) and other services of £1,485 (2022 - £1,425).

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

10 Staff costs and employee benefits

There were no employees or staff costs in the current or prior year.

11 Trustees' and key management personnel remuneration and expenses

The charity is managed by its trustees and has no other key management personnel.

The trustees neither received nor waived any remuneration during the year (2022: £Nil).

The trustees were not reimbursed for any expenses during the year (2022: £Nil).

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2022	378,397
Additions	167,822
Disposals	(169,098)
Revaluation	(5,309)
At 31 August 2023	<u>371,812</u>
Carrying amount:	
At 31 August 2023	<u>371,812</u>
At 31 August 2022	<u>378,397</u>

Fixed asset investments are measured initially at fair value and subsequently at fair value (their market value) at the reporting date.

Investments at fair value comprise:

	2023 £	2022 £
Equities	125,852	83,164
Bonds	99,212	101,421
Global investments	121,498	131,993
Absolute return	0	12,060
Commodities	9,485	25,796
Property	0	2,782
Other investments	15,765	21,181
	<u>371,812</u>	<u>378,397</u>

The fair value of listed investments is provided by RBC Brewin Dolphin and, ordinarily, is determined by reference to the middle market price at the close of business on the balance sheet date.

13 Debtors

	2023 £	2022 £
Prepayments and accrued income	1,321	1,672
Other debtors	10,000	9,300
	<u>11,321</u>	<u>10,972</u>

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	38,805	589
Accruals and deferred income	22,109	13,024
	<u>60,914</u>	<u>13,613</u>

15 Fund reconciliation

Unrestricted funds: summary of movements

Movements for year ended 31 August 2023

	Balance at 1.9.2022 £	Net movement in funds £	Balance at 31.8.2023 £
Unrestricted	239,852	(54,650)	185,202
Designated funds:			
a) Research grants	128,457	(631)	127,826
b) Equipment grants	-	20,045	20,045
c) PhD studentships	47,538	41	47,579
	<u>175,995</u>	<u>19,455</u>	<u>195,450</u>
Total	<u>415,847</u>	<u>(35,195)</u>	<u>380,652</u>

Movements for year ended 31 August 2022

	Balance at 1.9.2021 £	Net movement in funds £	Balance at 31.8.2022 £
Unrestricted	335,166	(95,314)	239,852
Designated funds:			
a) Research grants	147,479	(19,022)	128,457
b) Equipment grants	3,443	(3,443)	-
c) PhD studentships	57,358	(9,820)	47,538
	<u>208,280</u>	<u>(32,285)</u>	<u>175,995</u>
Total	<u>543,446</u>	<u>(127,599)</u>	<u>415,847</u>

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

Note 15 (continued)

Unrestricted funds: analysis of movements

Movements for year ended 31 August 2023

	Income £	Expenditure £	Transfers between funds £	Gains / (losses) £	Net movement for the year £
Unrestricted	46,916	(26,381)	(69,875)	(5,309)	(54,650)
Designated:					
a) Research grants	-	(45,019)	44,388	-	(631)
b) Equipment grants	-	-	20,045	-	20,045
b) PhD studentships	-	(5,401)	5,442	-	41
	46,916	(76,801)	0	(5,309)	35,195

Movements for year ended 31 August 2022

	Income £	Expenditure £	Transfers between funds £	Gains / (losses) £	Net movement for the year £
Unrestricted	8,492	(27,076)	(7,789)	(79,140)	(105,513)
Transfers from restricted funds (page 22)	-	-	10,199	-	10,199
			2,410		(95,314)
Designated:					
a) Research grants	-	(34,259)	15,237	-	(19,022)
b) Equipment grants	-	-	(3,443)	-	(3,443)
b) PhD studentships	-	(5,815)	(4,005)	-	(9,820)
	8,492	(67,150)	10,199	(79,140)	(127,599)

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

Note 15 (continued)

Restricted funds

	Balance at 31.8.2021 £	Net movement in funds £	Transfers £	Balance at 31.8.2022 £	Net movement in funds £	Balance at 31.8.2023 £
Ardern-Jones	6,977	-	-	6,977	-	6,977
European Asthma	2,830	-	(2,830)	-	-	-
Friedmann	6,869	-	(6,869)	-	-	-
Gadola	2,826	-	-	2,826	-	2,826
Haitchi	3,097	-	-	3,097	-	3,097
Healy	7,107	-	-	7,107	-	7,107
Holgate Prize Fund	500	-	(500)	-	-	-
Vijayanand	6,189	-	-	6,189	-	6,189
Waller	7,984	-	-	7,984	-	7,984
Walls	4,206	(589)	-	3,617	(3,617)	-
	48,585	(589)	(10,199)	37,797	(3,617)	34,180

Restricted funds: analysis of movements

Movements for year ended 31 August 2023

	Income £	Expenditure £	Net movement for the year £
Walls	-	(3,617)	(3,617)

Movements for year ended 31 August 2022

	Income £	Expenditure £	Net movement for the year £
Walls	-	(589)	(589)

As there had been no movement in most of the funds for several years, the Trustees have previously invited all the fundholders to submit a proposal outlining how the balance of the restricted funds would be used for research or educational projects in line with the Charity's objectives. Should the fundholders not intend to expend the funds imminently, or have a relevant project in mind, the Trustees invited them to consider releasing the balance of their funds to the Charity in order that they could be used to fund relevant projects by other researchers; in this case, two options were provided: identifying their contribution to a project by making an award in their name, or releasing their restricted funds to general funds to facilitate future awards.

During the prior year, Professors Holgate and Friedman authorised the balance of funds under their control, totalling £10,199, to be released to general funds to facilitate further grant awards.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

Note 15 (continued)

Fund descriptions

a) Unrestricted funds

All unrestricted funds may be treated as designated.

b) Designated funds

Research and equipment grants, and PhD studentships

The funds were established to support the work and study by students and others in asthma, allergy and inflammation within the University of Southampton Faculty of Medicine, or the allied Wellcome Trust Clinical Research Facility and NIHR Southampton Biomedical Research Centre.

c) Restricted funds

Restricted funds are for the purposes described below:

Ardern-Jones

To support the work of Dr Michael Ardern-Jones in dermatology, particularly with the Wessex Dermatology Advisory Committee and the European Society for Dermatological Research.

Gadola and Gadola Ultrasound Initiative

To support the work of Professor Stephen Gadola in ultrasound studies in rheumatology.

Haitchi

To support the work of Professor Haitchi in asthma research.

Healy

To support the work of Professor Eugene Healy, particularly with the British Society for Investigative Dermatology and the European Society of Dermatological Research.

Vijayanand

To support the work of Dr Vijayanand on viruses.

Waller

To support the work of Dr Derek Waller in allergic disease.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

16 Analysis of net assets between funds

As at 31 August 2023

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	177,632	165,000	29,180	371,812
Cash and current investments	20,744	63,252	8,617	92,613
Other current assets / (liabilities)	(13,174)	(32,802)	(3,617)	(49,593)
Total	185,202	195,450	34,180	414,832

As at 31 August 2022

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	210,011	150,000	18,386	378,397
Cash and current investments	32,171	25,717	20,000	77,888
Other current assets / (liabilities)	(2,330)	278	(589)	(2,641)
Total	239,852	175,995	37,797	453,644

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2023

17 Related party transactions

Administrative services

During the year, £13,614 (2022: £13,718) was payable to a company in which the trustee, Mr L A Dunn, has an interest, for administrative services provided to the charity by one of that company's employees.

No benefit accrues to Mr Dunn, or the company in which he has an interest, the additional costs to the company (including salary and Employers' National Insurance) being matched by payments made by the charity. At 31 August 2023, £9,204 (2022: £Nil) was unpaid and £959 (2022: £1,151) was accrued in respect of the services provided during the year.

Research grants

Applications to the charity for funding include those made, or supported, by Trustees for research into areas, relating to the charity's objectives, in which they have specific medical expertise. Such applications are scrutinised by the charity's Scientific Committee, using the same process that is applied to all other requests, with the exception that, if the project involves a member of that committee, the relevant Trustees recuse themselves when a decision is made about their application in order to avoid a conflict of interest. Trustees do not benefit directly from the grants awarded.

During the year, no grants were awarded for research projects in which trustees had an interest (2022: none). The movements for the year are shown below.

<i>Trustee's surname</i>	<i>Balance undrawn at 1/9/22</i>	<i>Expenditure in the year</i>	<i>Balance undrawn at 31/8/23</i>
	£	£	£
Lucas	9,499	-	9,499
	<u>9,499</u>	<u>-</u>	<u>9,499</u>

Movements for year ended 31 August 2022

<i>Trustee's surname</i>	<i>Balance undrawn at 1/9/21</i>	<i>Returned to general funds</i>	<i>Balance undrawn at 31/8/22</i>
	£	£	£
Davies	17	(17)	-
Roberts	4,924	(4,924)	-
Lucas	10,602	(1,103)	9,499
	<u>15,543</u>	<u>(6,044)</u>	<u>9,499</u>

18 Contingent assets – legacy income

At 31 August 2023, the charity had been notified of four (2022: four) legacies, the values of which could not be measured reliably and/or where payments had not been agreed by the executors. At the balance sheet date, the estimated amount receivable was £170,000 (2022: £168,300).