

Asthma and Lung UK

England & Wales · Charity number 326730

Details

Other names	Asthma UK and British Lung Foundation Partnership, Asthma and Lung UK, BRITISH LUNG FOUNDATION, BLF, BREATHE EASY
Status	Registered
Legal form	Charitable company
Company number	01863614
Registered	1984-12-11
Register	View on the Charity Commission register

Contact

Address	The White Chapel Building 10 Whitechapel High Street London E1 8QS
Phone	02076885555
Email	info@asthmaandlung.org.uk
Website	www.asthmaandlung.org.uk

Activities

Objects: OBJECTS2.1 THE OBJECTS OF THE PARTNERSHIP ARE:2.1.1 THE RELIEF OF PERSONS SUFFERING FROM DISEASES OF THE CHEST AND LUNGS, TO INCLUDE, ON A CONTINUING BASIS, ASTHMA, AND THE PREVENTION OF THOSE DISEASES;2.1.2 THE PROMOTION OF MEDICAL RESEARCH INTO THE PREVENTION, TREATMENT, ALLEVIATION AND CURE OF THOSE DISEASES AND THE DISSEMINATION OF THE USEFUL RESULTS OF SUCH RESEARCH FOR THE BENEFIT OF THE PUBLIC AND THE PROMOTION OF POST-GRADUATE TRAINING AND THE CREATION OF FELLOWSHIPS, HOSPITALS, MEDICAL CENTRES AND RESEARCH INSTITUTES; AND2.1.3 THE PROVISION OF CARE, SUPPORT, SERVICES AND INFORMATION FOR PERSONS SUFFERING FROM THOSE DISEASES.

Activities: Asthma and Lung UK exists to help people with lung disease. It achieves this by:1 - Funding vital research into understanding, treating and preventing lung disease.2 - Promoting greater understanding of lung disease and campaigning for positive change in the nation's lung health.3 - Offering services and support so no one has to face it alone.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- Isle Of Man
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£16,112,000	£15,869,000	£11,893,000	188
2024-06-30	£14,769,000	£18,498,000	£12,213,000	195
2023-06-30	£14,663,000	£14,944,000	£13,551,000	179
2022-06-30	£13,939,470	£16,777,388	£13,161,309	167
2021-06-30	£15,105,000	£15,399,000	£15,397,000	158

Trustees

Name	Role	Appointed
Tamara Ingram	Chair	2022-11-02
Caroline Cartellieri Karlsen		2021-02-01
Crystal Rolfe Wilde		2025-08-01
Dr James Matthew Duckers		2025-07-31
Dr Thomas Hodson		2024-04-02
Hannah Margaret Johnson		2025-07-31
John David Hannaford		2023-08-01
Katherine Morgan		2020-01-01
Michael O'Connor		2021-02-01
Niren Patel		2020-01-01
Professor David Arthur Lomas		2024-01-02
Stephanie Vaughan		2025-07-31
Victor Cholij		2023-06-01

Linked charities

- THE FLORENCE MICHAEL FUND (326730-1)
- THE TUBERCULOSIS FUND (326730-2)
- THE BURROW HILL TRAINING FUND (326730-3)

Asthma and Lung UK

England & Wales - Charity number 326730

Accounts

Our **battle** for **breath.**

Annual Report
and Financial Statements
2024-25

ASTHMA+
LUNG UK

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**We're here to provide
expert advice and
support for anyone
living with a lung
condition.**



Foreword

The launch of the government's NHS 10 Year Plan in 2025 for England is a major chance for change and it is essential respiratory care is finally given the focus and resources it deserves to address the appalling inequalities faced by people with lung conditions. They remain the UK's third biggest killer and we have the worst outcomes in Europe.

They remain the UK's third biggest killer and we have the worst outcomes in Europe. The key shifts announced in the Plan – more prevention, care closer to home and more digital support – should lead to better lung health but we will only see a real change if health systems are explicit about the improvements needed. Sadly a key delivery tool, Modern Service Frameworks (MSFs), have been announced for other major conditions but not for respiratory. We will continue the battle for breath, working with our allies in the Taskforce for Lung Health, which the charity helps to lead.

In 2025, the government also announced an exciting new concept, Diagnosis Connect, which was born from a joint proposal developed by Asthma and Lung UK, Diabetes UK and MIND. The concept will see patients being referred to the services provided by the voluntary sector at the point of their diagnosis in order to release pressures on the NHS and help patients self-manage their conditions. We will be bidding for funding to support a pilot for respiratory conditions as part of the programme. The concept will be another great example of how the charity continues to drive improvements for all the people living with lung conditions and with the support of our partners, we will continue to push for all the changes needed to improve the health of our community.

The charity sector has seen many challenges in recent years primarily due to the impact on income following the COVID pandemic and the increased costs due to the period of high inflation. Many charities have had to make difficult choices and Asthma and Lung UK was not immune to this challenge. In the last year we made difficult decisions and undertook some restructuring to ensure that we ended the year in a solid financial position and, more importantly, re-aligned our cost base to ensure we remain financially sustainable in the coming years whilst protecting the delivery of our core services. We know demand for these services remains high as we saw 21,000 calls to our helpline and over 3 million visits to our website in the past year.

Elsewhere in the UK we continue to lobby hard for improved care and clean air with our devolved nation team engaging governments in Scotland, Wales and Northern Ireland.

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Research, is vitally important to bring long term solutions for lung health. In the year we worked through the Lung Research and Innovation Group to develop Lung Research Grand Challenges – bold 10 year research goals designed to radically improve lung health in the UK. We continue to use our direct research investment to leverage increased research funding. Over the past 4 years, we have found that our £12.3million of investment has led to an incredible £221 million of follow on funding.

In the year ahead we will focus on policy and campaigns to make the most of the new health landscape in England and continue our work on promoting the Tobacco and Vapes Bill which will impact the whole of the UK. More work is needed on our clean air campaigning where progress seems stuck but we continue to push the government to implement new standards to deliver improved air quality through our work with the Healthy Air Coalition.

Asthma + Lung UK Grand Challenges



DIAGNOSIS

End the struggle for breath and anxiety that comes with living without a diagnosis.



PREVENTION

Will you help us reduce the risk of lung conditions – and stop avoidable hospitalisations?



TREATMENT

With your help we can reduce symptoms, discover transformative treatments – and work towards new cures.

We're Asthma and Lung UK – and we're leading

the battle for breath.

Around 12 million people in the UK will develop a lung condition during their lifetime. Yet for too long, lung conditions have been overlooked and underfunded, leaving people sidelined at home without diagnosis or effective treatment, or worrying about symptoms spiralling out of control.

When breathing is hard, nothing is easy.

We are Asthma + Lung UK. We stand up for everyone with a lung condition, to bring about a revolution in treatment and support. So everyone can live their best lives.

We strive ambitiously for a better future. Funding cutting edge research to transform treatments and find cures. Campaigning to make sure lung health diagnosis and care is prioritised. And we bring care and support for people now. With advice through our expert helpline and online information. Connecting people in communities, with practical support and friendship.

Our vision

**A world
where everyone
has healthy
lungs.**



Our mission

**To be the driving
force behind the
transformation of
lung health.**



Our values

We have
courage.

We always push
for better.

We empower our
people to be
their best.

We work
as one.

We listen and
understand.



**We believe
that everyone
should have
the right to
breathe easy.**



Strategic Report

Asthma and Lung UK is the UK's leading lung charity, here to support the 12 million people in the UK who will have a lung condition during their lifetime.

Whether it's asthma, chronic obstructive pulmonary disease (COPD) or rarer conditions like bronchiectasis and idiopathic pulmonary fibrosis (IPF), we're here to provide expert advice and support through our Helpline, support groups and online health advice. We fund groundbreaking research into new treatments, and we campaign for better diagnosis, cleaner air and restricted access to tobacco products so that everyone with a lung condition can live their life well.

Our strategy

For too long, lung health has been sidelined, under-treated and under-resourced. Lung conditions are the third biggest cause of death in the UK, and we have the worst death rates in Europe. Hospital admissions for people with lung conditions are rising and show no sign of stopping.

Too many people are forced to breathe in toxic air, which makes their existing lung conditions so much worse and causes new conditions to develop. There are also misconceptions that illnesses like asthma, bronchiectasis and COPD are not life-threatening or serious, preventing people from getting timely and effective diagnosis and treatment. And despite all this, only 2.5% of all publicly funded research in the UK is spent on finding cures and treatments for lung conditions.



Our strategy set out our plans over the five years from 1 July 2022 to tackle this and transform the nation's lung health. We've committed to doing this by:

1 **Offering all people with lung conditions information, advice and ongoing support** when they are diagnosed, and ensuring we will be there during crisis when they need us most.

2 **Raising awareness of the seriousness of lung conditions and tackling negative attitudes** that have seen lung health neglected and held back progress for so long.

3 **Funding the best science and brightest minds** to find new solutions to the biggest challenges in lung condition prevention, diagnosis, treatment and management – and campaigning for the government to triple its funding for UK lung research.

4 **Campaigning for change to improve the lives of people with lung conditions**, including urging government and funders to clean up air pollution, provide better access to care and tackle health inequalities. We will bring together all those affected by lung conditions to make sure their voices are heard by decision makers, and we won't stop until lung health is given the same priority as other conditions.

Through this work, and with the support of governments, funders, other charities and our incredible campaigners, volunteers and supporters, by 2027 our ambition is that:

- Public funding for lung research will have tripled to £150 million each year.
- Hospital admissions linked to spikes in air pollution and the number of early deaths linked to long-term exposure will have reduced.
- Unplanned hospital admissions and A&E visits for asthma and COPD will have dropped by 40% and 30% respectively.
- Public awareness of the seriousness of lung conditions – and signs and symptoms – will have improved.
- New methods will have been developed to diagnose lung conditions with greater accuracy and speed.

Achievements and performance

Fighting for lung health

The challenge

Many lung conditions could be avoided by improving the quality of the air we breathe in our communities, homes, workplaces and schools. By reducing exposure to tobacco smoke, air pollution, infection, mould and occupational hazards such as asbestos, as well as encouraging healthy lung behaviours like exercise, we can greatly reduce the chances of people developing lung conditions at all stages of life.

Creating a smoke-free generation in the UK

Exposure to tobacco remains the number one preventable cause of death in the UK, leading to some 80,000 premature deaths each year and high rates of disability and ill health. In 2023, 11% of 11–15-year-olds had ever tried smoking, 3% currently smoked and 1% smoked regularly. This is equivalent to around 400,000 11- to 15-year-olds in England that have tried smoking and 120,000 that currently smoke.

The new legislation from government, which will gradually raise the age of sale for tobacco from 2027, will mean people born after 2009 will never be able to buy tobacco legally. During its slow progress through Parliament we have strongly supported the Bill and spoken to more than 360 MPs to confirm their continued commitment it.

The Bill also introduces restrictions around vaping sales and marketing as well as restricting where they can be used. The charity has taken a leading role in the vaping debate to get the balance right between protecting people, especially children, from the potential harms of excessive vaping, whilst recognising the valuable role vaping can play for some in smoking cessation. given smoking harm far outweighs vaping harm. We are optimistic that the Bill will receive Royal Assent and be implemented in 2027.

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Campaigning for clean air

Asthma and Lung UK surveys people living with lung conditions regularly and whenever we ask what triggers an attack or flare-up of lung disease, they identify the impact of breathing polluted air. In our latest survey (Life with a lung condition survey 2025), 50% of respondents said that air pollution triggered their lung condition. We are campaigning for tighter controls for both vehicle emissions and industrial pollution and will continue to lobby the government for the introduction of a new Clean Air Bill.

The UK sets its own emission targets that are less stringent than those of the European Union and the World Health Organisation (WHO). Last year we committed to urging policymakers to implement the WHO targets. Sadly, although some 1,000 people signed our petition, our work did not have the success we hoped for in getting a firm commitment from government and we will continue to fight for legislative changes to improve air quality.

Working in schools

Research studies have shown that the impact of poor air quality is heightened in children and the elderly. We have developed, with support from the BUPA Foundation, our Clean Air Champions programme to provide air pollution monitors and other free resources to schools. We pledged to expand the network to work with 200 schools, we achieved this aim and during the year to 30 June 2025 signed up 200 schools to the network with a further 41 on the waiting list for the next academic year.

We achieved good geographical coverage, but our focus has been on signing up schools in inner city areas with poor air quality and high hospitalisation rates for children with asthma. 76 of the 200 schools are located in the three most deprived deciles as measured by the Index of Multiple Deprivation.



Clean Air Champions programme at the Alt Bridge School in Liverpool.

Fighting for earlier diagnosis

The challenge

People who have difficulty breathing often wait years for a formal diagnosis, or never receive one at all. In part, this is because society doesn't always take breathlessness seriously or consider lung problems as worthy of attention as other diseases. Ill-informed public attitudes can mean many people live with debilitating symptoms for years before they seek help. Official statistics on diagnostic waiting times are opaque and not consistently gathered across the health service. Our Life with a lung condition survey (2025) found over 17% of respondents waited more than a year from first discussing symptoms to a diagnosis.

Support earlier diagnosis

We support people contacting our Helpline and through our health advice pages, with undiagnosed lung conditions by coaching them in the best language to describe their symptoms and helping them build the courage to advocate for their needs. During the prior year (1 July 2023 to June 2024) our helpline service supported 1,500 people contacting us to seek a diagnosis. We expanded this service and during the year to 30 June 2025 reached some 4,100 people.

In 2025 our Helpline Team answered

9,323

**calls offering vital support in
the most critical moments.**

Fighting for **better** Treatment and Support

The challenge

Too many people living with lung conditions have too few treatment options and are left to navigate the health system on their own, missing out on support they desperately need. It is wrong that people lose years of their life battling with lung conditions when they could have been living well.

Anna's story

“Physically I look well, so people don't believe that I have a lung condition.”

In September 2022, Anna was diagnosed with allergic bronchopulmonary aspergillosis (ABPA), an allergic reaction to aspergillus mould. Anna said: “I was having asthma attacks very often, had a prolonged cough and extreme fatigue. I was previously a property lawyer, working long hours but I was struggling to get through the working day.

My GP initially thought my symptoms were a result of stress and anxiety at work until I pressed for a chest x-ray as my daughters were concerned that it was something more serious.”

Since being diagnosed, Anna decided to do her own research and found support from Asthma and Lung UK and the National Aspergillosis Centre in Manchester. She said: “I joined an online patient support group which has been invaluable. Asthma and Lung UK are really helpful, especially when trying to keep up with research and gain a further understanding of my condition.”

Anna's diagnosis has been life changing. She's had to give up her career as a property solicitor and can no longer do many of the day-to-day activities she enjoys. “Even simple walks are a risk to my health, and I am exhausted after completing simple household tasks.

However, I have always had a positive mental attitude and have no other medical issues. Thanks to my early diagnosis my aim is keep active when I can. I swim three times a week and some days have to peel myself out of bed, but my lungs feel so much better afterwards.

I hope to raise awareness of ABPA and reading Asthma and Lung's social media posts makes me feel supported and not alone with my condition.”

Supporting respiratory excellence within the NHS

We continue to develop our Healthcare Professional Hub, a repository of free-to-use materials, including resources for patients, diagnostic tools, educational products and a monthly newsletter to keep all respiratory healthcare workers updated on best practice in lung healthcare. During the year these resources were accessed more than 270,000 times.

We completed the pilot of our Respiratory Connect programme which signposts people when they are first diagnosed by a GP or on discharge from hospital following an exacerbation in their lung condition. This programme was run in collaboration with the Dorset Hospital NHS Trust who referred some 290 patients to our services.

During the year to 30 June 2025 we established our respiratory champions network, a project funded by AstraZeneca. We appoint champions who are healthcare professionals embedded in the Integrated Care Board (ICB) structure to support best practice in hospital and primary healthcare environments and then network across different ICBs to spread their experiences and examples of best practice.

Improve access to pulmonary rehabilitation

Pulmonary rehabilitation involves lung health exercises and is a simple, non-invasive treatment for people living with lung health issues. Uptake of the service is patchy and Asthma and Lung UK is a partner in the Upturn project and has run workshops to investigate why rates of engagement for people of Bangladeshi and Black African heritage are lower than average. We will co-produce materials to encourage engagement from these groups to be trialled in late 2025 with a view for a full-scale clinical trial to follow in 2026.



Impactful seasonal campaigns

We ran our winter campaign, working with healthcare professionals to promote vaccine programmes and practical steps people can take to protect themselves from lung conditions in the autumn and winter of 2024. With financial support from Pfizer, we expanded our reach to over 15 million people and increased the total numbers accessing the dedicated webpages from 200,000 in the previous year to more than 340,000.

Our summer campaign focused on connecting with parents of children with asthma. The campaign provided simple-to-follow, personalised guides as well as ongoing, timely hints and tips. It also hosted a competition that encouraged people living with lung conditions to share their summer photographs and stories and so provide inspiration and encouragement across our community. The campaign reached over 4.5 million people, with over 2,000 new people signing up to our guides and ongoing communication for the first time.

Health advice

Asthma and Lung UK helps to support people living with lung conditions and empower them to manage their condition. We do this through our online health advice, much of which is available in eight different languages and in an Easy Read format, making the information easier to understand. During the year to 30 June 2025, the health pages on the website attracted more than 3 million hits and a total of more than 500,000 health resources were downloaded.



Helpline

Our Helpline remains a vital resource and during the year we took 21,000 enquiries. Many of the people contacting the Helpline turn to us during periods of great distress. Our trained advisors listen and provide comfort to callers and, if needed, alert them that they need to seek emergency care. During the year to 30 June 2025, we advised callers to seek urgent medical attention on 115 occasions, of whom 46 were advised to call the emergency services directly. We referred a further 260 callers to the 111 for an immediate assessment.

Support groups

We provide online support groups, from Motivational Mondays (singing and vocal exercises tailored for lung health) to Feel Good Fridays (Zumba dance classes for every level of fitness) and condition-specific groups for people living with bronchiectasis, COPD, long COVID and Aspergillosis, as well as people on home ventilation.

All of our support groups, whether activity or information focussed, centre on helping people feel more confident and able to manage their breathlessness. We held 270 online group sessions in the year to 30 June 2025, with a total of 6,800 attendances. Last year, we launched our new series of quarterly webinars, led by prominent researchers and covering bronchiectasis, severe asthma, and long covid, with a COPD webinar to be held later in 2025. Our webinars are hugely successful, regularly reaching hundreds of people and generating some great conversations about uplifting research into the four specified conditions.

Our network of face-to-face support groups provides much needed social interaction and peer support for people living with lung conditions. Our groups aim to educate and empower people to self-manage their conditions and allow people to talk freely about lung health without shame or stigma. During the year we supported 98 face-to-face support groups and 83 singing for lung health groups, run by 120 volunteers across the UK from Bonar Bridge in the north of Scotland to Falmouth in Cornwall.



One of our amazing Singing for Lung Health Groups – found across the UK.

Research and innovation hold a vital key to changing and saving lives.



Fighting for **life-changing** research and innovation

The challenge

There has been little improvement in how we diagnose, treat, and manage lung conditions in the last 20 years. This poor progress leaves the UK falling way behind most other European countries. Research and innovation hold a vital key to changing and saving lives. But there has been insufficient attention or investment in delivering the step change that is now urgently overdue.

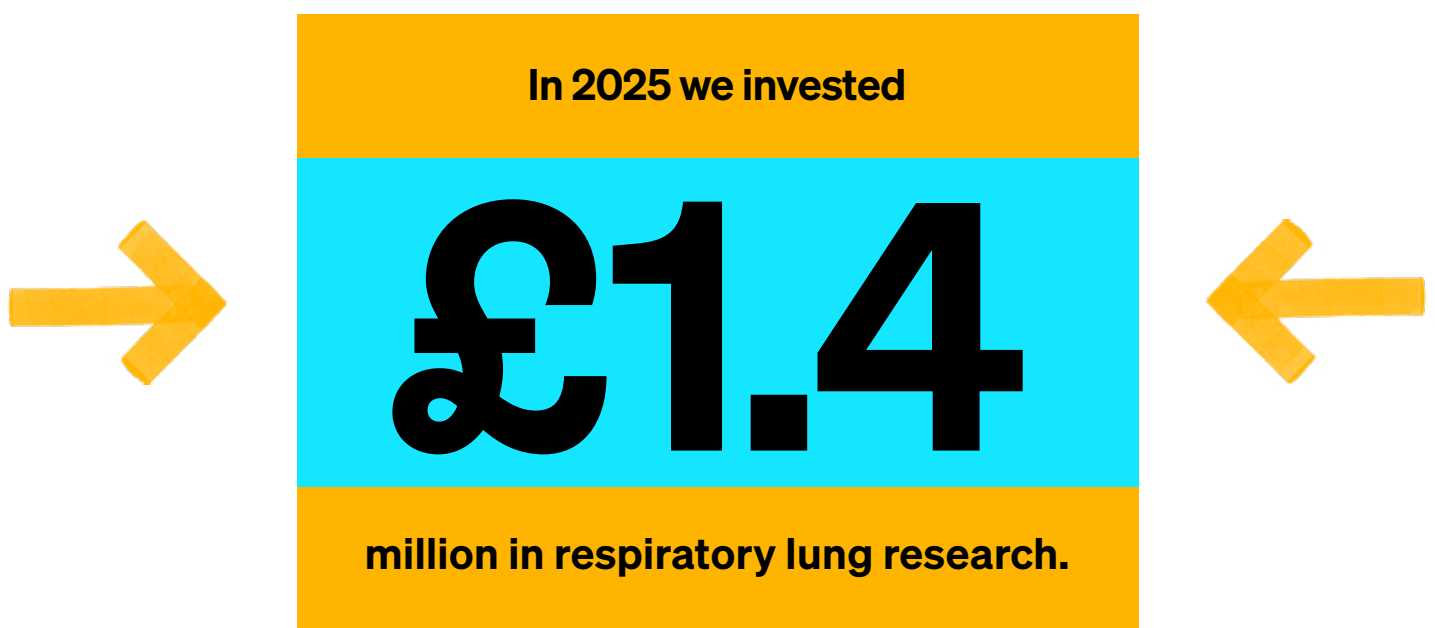
The economic case for investing in respiratory research

Our Investing in Breath report, published jointly with PwC, identified that the true total cost of lung disease to the UK economy is some £188 billion per year. The analysis found that by increasing annual public investment in respiratory research from £50 million to £140 million, could contribute £850 million per year to the UK economy by 2030.

UK Clinical Research Collaboration (UKCRC) publish data every four years. Their report on health data for 2018 showed that public funding for lung health has lagged behind other major conditions with just £47 million per year being spent in respiratory research – 1.8% of the total invested each year in medical research. Their next report for health data in 2022 showed an improvement with £70.5 million being spent on respiratory conditions, but this still equates to just 2.5% of the total public investment in medical research. We believe 6% (some £150 million) is the minimum equitable level.

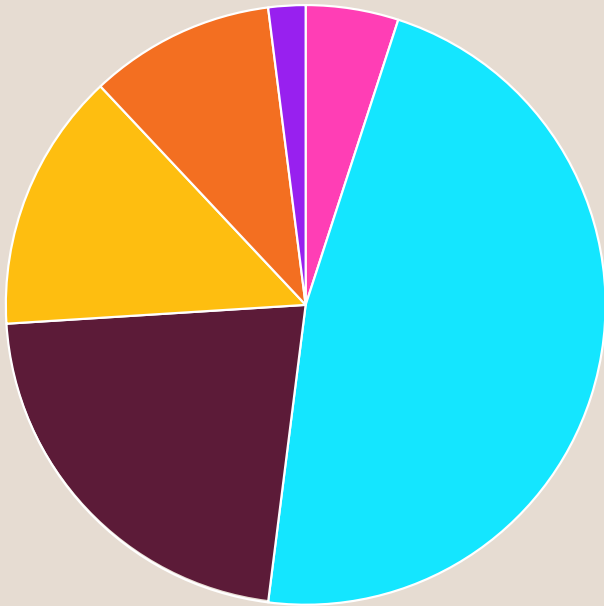
Overview of our research grant programme and awards in 2024-25

Asthma and Lung UK is one of the biggest charitable funders of respiratory research in the UK and has a long history of supporting life-changing lung research. At any one time we fund multiple research projects. On 30 June 2025, we were funding a total of 58 different research projects, with a value of some £13.7 million, focusing on different aspects of diagnosis, prevention and treatment to improve the lives of people living with lung conditions. The charts below show the focus of research and the lung conditions being researched.



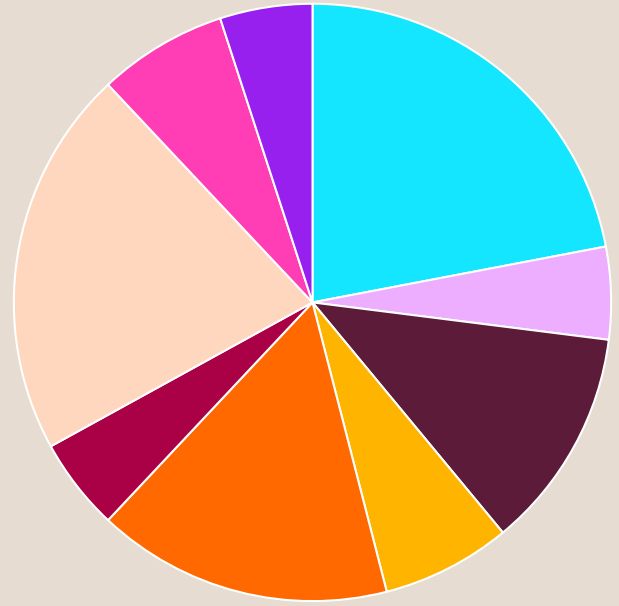
During 2024-25, we awarded research grants committing a further £1.4 million. These awards were focused on two themes: career development grants to help build the UK as a powerhouse of lung research (seven awards with a commitment of £560k), and awards focused on utilising existing data to address unmet needs faced by people living with lung conditions (eight awards with a commitment of £824k).

Number of active grants by research focus



- Prevention – 3 grants (5%)
- Diagnosis – 27 grants (47%)
- New treatments – 13 grants (22%)
- Management – 8 grants (14%)
- Other – 6 grants (10%)
- Diagnosis and new treatments – 1 grant (2%)

Number of active grants by research area



- Asthma – 13 grants (22%)
- Bronchiectasis – 3 grants (5%)
- COPD – 7 grants (12%)
- Infections – 4 grants (7%)
- Interstitial lung disease – 9 grants (16%)
- Preschool wheeze – 3 grants (5%)
- Mesothelioma – 12 grants (21%)
- Multi-disease – 4 grants (7%)
- Other – 3 grants (5%)

Leveraging the power of Asthma and Lung UK research funding

Becoming an Asthma and Lung UK-funded researcher often opens doors for researchers to get follow-on funding from other institutions. As part of the final report of every research grant, we ask grant-holders to quantify follow-on funding directly associated and connected to the work we supported. We have analysed our research portfolio and found that our £12.3 million investment into research projects that completed during the last four years attracted £221 million of follow-on funding. In other words: these grants have attracted 18 times our initial investment in further research funding.

Investing in improving respiratory health data

Progress in lung health research is hampered by a lack of good quality data and large patient cohorts. We want to support the research community to do more to improve the way data in different parts of our health service is used and shared. In 2024 we awarded a five-year grant to establish the Respiratory Data Science Catalyst (RDSC) which will facilitate data-driven research using linked patient data at national scale, addressing major respiratory research questions of relevance. With infrastructure support from Health Data Research UK our first year of investment has enabled the RDSC to develop a strategy and activity plan, and to meet early milestones including publishing respiratory disease prevalence figures, establishing an advisory group with scientific and people with lived experience membership and launching an online training programme for respiratory researchers.

Our Future Health (OFH) is a UK government backed scheme to collect biological samples and lifestyle information for the most representative possible cohort of the UK population. In two years OFH has recruited samples from some 1.7 million donors, some 10% of whom are already living with a lung condition. OFH is on track to achieve a goal of 5 million sample donors in five years. Asthma and Lung UK is proud to be a founding charity member of OFH, already the largest health research initiative in the world. Our position on the OFH founders' board allows us to influence key decisions, such as the linkage of primary care data, to maximise value for respiratory research.



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Putting patients at the heart of research

Asthma and Lung UK's Respiratory Insights is a service through which we bring the voices and insights of people living with lung conditions to researchers and innovators to ensure that their research is meaningful, impactful and patient-focussed. By connecting and facilitating the involvement of people who have lived experience of a lung condition such as patients, carers, and advocates, we ensure that research focusses on solving the issues that matter most to patients, and that solutions created are usable, desirable, accessible and equitable.

Asthma and Lung UK generates income from the work – either through grant funded research programmes, or commissioned by public or private sector organisations working in respiratory research and innovation. In the year to 30 June 2025 we secured £430k for future delivery and supported 30 external programmes with the service.

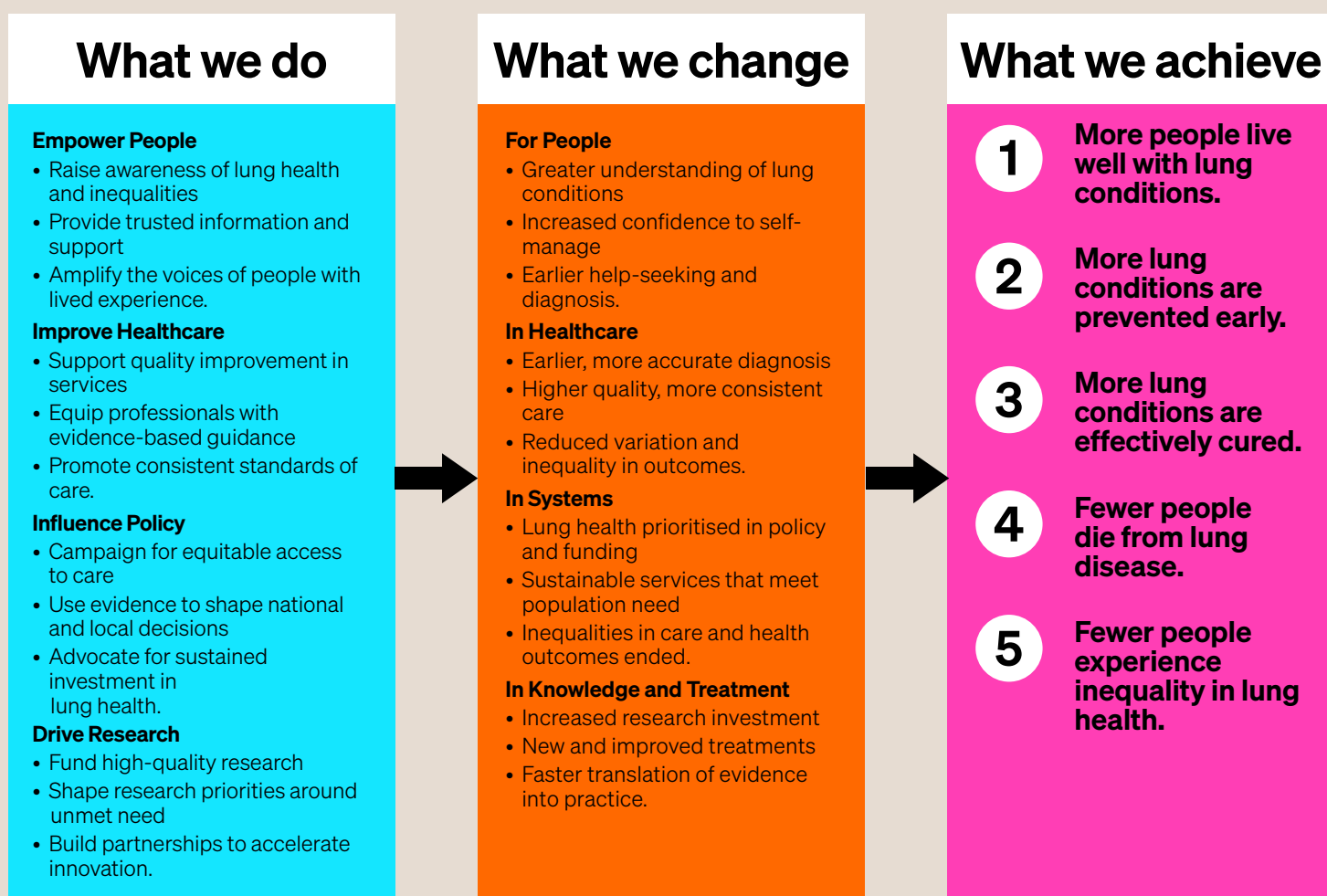
A woman with short blonde hair, wearing a bright yellow sweater, is seated at a wooden table. She is holding a blue nebulizer mask to her mouth and appears to be using it. On the table in front of her are a book titled 'MATTHEW WALKER WHY WE SLEEP' and a pair of glasses. The background is a softly blurred indoor setting.

**Our vision is for
a world where
everyone has
healthy lungs.**

Being an **outstanding** organisation

Implementing our theory of change model

Our theory of change model identified new and better ways of working, including extending the business planning and budgeting cycles to avoid any distortion caused by attempting to squeeze activities into financial years, clearly defined performance indicators allowing an objective assessment of our impacts, and delivering work through cross-departmental projects drawing talent from across the charity to focus on common goals.



Working to become a data-driven charity

Since the merger of Asthma UK and the British Lung Foundation we have developed a new Customer Relationship Management database. Having put the framework in place, we spent the year working on minimum standards for data. This work is enabling the charity to better understand all its audiences and their needs and further enables the development of performance indicators.

Our commitment to environmental targets

As an organisation that campaigns for lower emissions, Asthma and Lung UK set itself an ambitious target of reducing its own carbon emissions by 50% from the baseline which we measured in 2021. We applied reported emissions where available, and government approved estimations where we couldn't get independent verification of the carbon footprint. We have rerun the analysis as of 30 June 2025 to chart our progress towards our target. This shows that in four years we have reduced our carbon footprint by 77% from 1,280 tonnes in 2021 to 290 tonnes in 2025.

Our volunteers

Volunteers are a vital to the work Asthma and Lung UK does to support the millions of people in the UK living with lung disease. In June, to coincide with National Volunteers Week, Asthma and Lung UK hosted a conference with an award ceremony to recognise the contributions of the exceptional volunteers who have demonstrated outstanding commitment, dedication and creativity, in serving and engaging their communities in the previous year.

It's an opportunity to celebrate their remarkable achievements and express gratitude for their selfless efforts in improving the lives of people living with lung conditions across the country.



2025 Asthma + Lung UK Volunteers Conference and Workshop.

Award-winning volunteers

Linda Makins

Linda received the Asthma and Lung UK Spirit of Courage Award for her outstanding work in her community. Linda's volunteer work includes seven years leading the Hammersmith & Fulham Breathe Easy group, which offers vital emotional and practical support for people living with lung conditions, such as asthma and chronic obstructive pulmonary disease (COPD).

Linda joined the group after she was diagnosed with COPD in 2017, looking for support and a way to connect with others living with similar conditions. She soon took over running the group, organising monthly meetings and guest speakers. Linda's commitment has meant she built strong relationships with the local community and with healthcare professionals at Charing Cross hospital, where the group met. She even kept the group going online when the pandemic hit in 2020 and they could no longer meet in person.



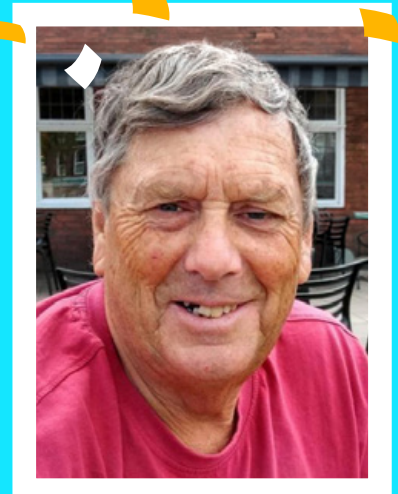
Linda said, "I am so grateful for this award and would like to offer my thanks to Asthma and Lung UK for all the great work they do. Working with the Breathe Easy Group was itself a reward for me, since meeting the incredible range of guest speakers from the relevant medical professions, including those dealing with the psychological issues that can affect us when living with breathlessness, and also those providing community services such as Open Age, broadened my own knowledge and provided me with options for enriching my own life. It was also a delight to meet all my friends in the group, sharing our experiences and offering each other advice and support. While I am a little sad to have to step down from running the Breathe Easy Group now, I remain a passionate advocate for Asthma and Lung UK and I would love to continue supporting the organisation's activities, through expressing my own experiences, particular with that magical therapy Singing for Breathing in which I participate at both Charing Cross and Royal Brompton."

Steve Gazzard

Steve, the former Deputy Mayor of Exmouth, won the Champion for Lung Health Award, for over a decade of dedicated fundraising in his local community. Since he started his fundraising mission, Steve has raised an incredible total of over £34,000 for the fight for better lung health

Steve began supporting Asthma and Lung UK in memory of his daughter, Sarah, who died from idiopathic pulmonary fibrosis (IPF) in 2012. Since then, he has coordinated numerous community fundraising events for the charity every year. This year is no exception. Steve has organised a sponsored swim, a quiz night and a number of other community events throughout the year, raising £3,000.

Steve said: "It was a lovely surprise to receive this award. I would like to dedicate it to late daughter Sarah and my wonderful band of supporters who help me raise money at these events."



Our fundraisers

Team Breathe hit the streets of London this April at the fantastic 2025 TCS London Marathon. More than 400 supporters took on the 26.2 miles, raising over £1.1 million for people living with lung conditions across the UK – including our top fundraiser who raised an incredible £7,500. We are so grateful to every runner who put in so much hard work to get to the finish line and collective fundraising total, it is thanks to them that we can continue our vital research and campaigning for lung health.

Our support from the Players of the Peoples Postcode Lottery

We are incredibly grateful for the support received from players of People's Postcode Lottery. Over the past two years, we have received an incredible £1.1m of unrestricted funding raised by the players of People's Postcode Lottery and awarded by the Postcode Care Trust.

This truly transformational funding has helped us to deliver vital services to support thousands of people affected by breathlessness – whether that is through access to a listening ear and expert advice on our Helpline, by providing opportunities to connect with other people who really understand what it's like to live with a lung condition as part of our peer support groups, by offering trustworthy and easy-to-understand health information, or by campaigning for clean air and equitable access to diagnosis, services and treatment. The impact of this flexible funding cannot be overstated – by allowing us to use these funds wherever the need is greatest, we can help more people affected by breathlessness to find the support they need to live their lives well with a lung condition.

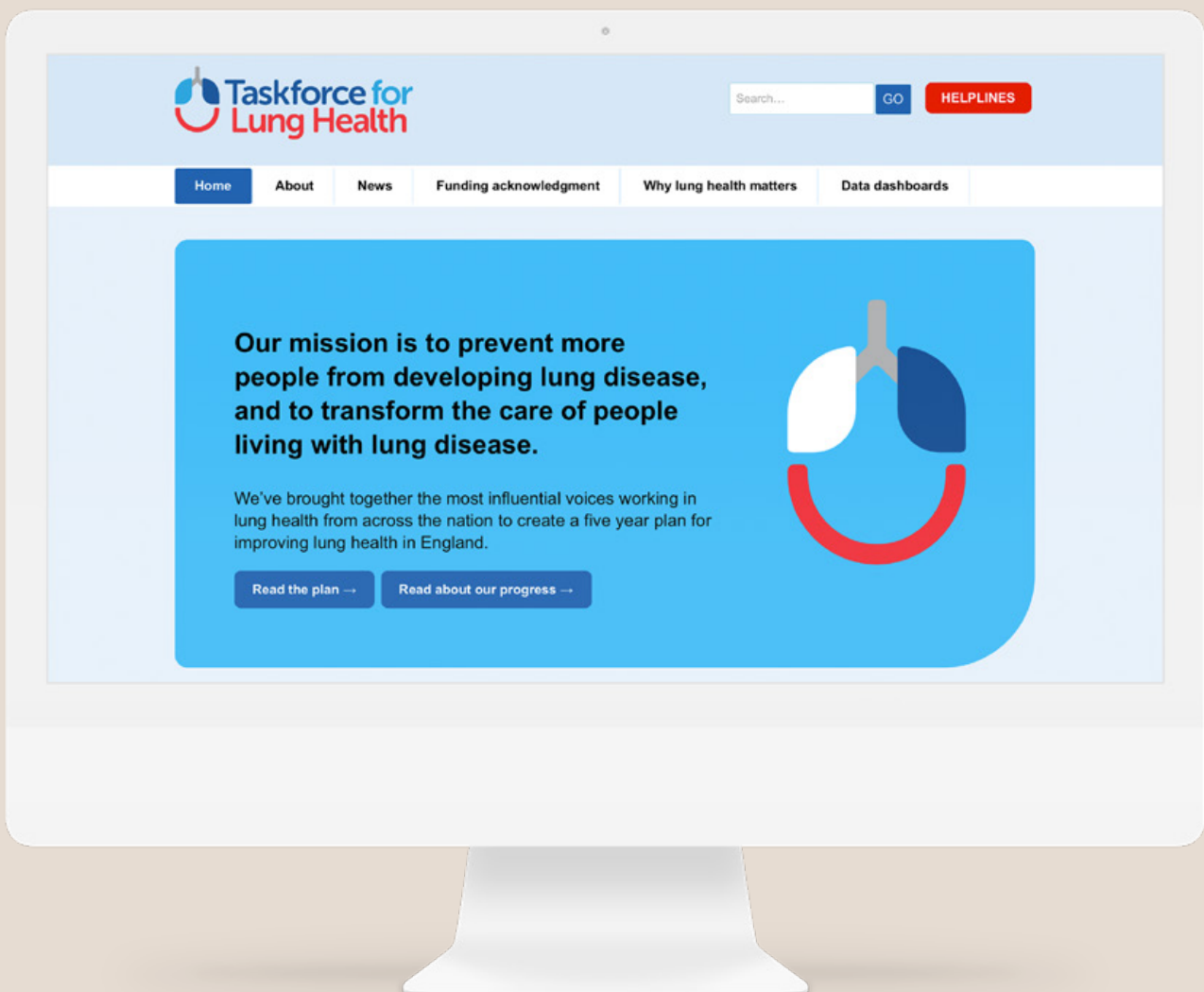
Thank you to all the players of People's Postcode Lottery for their amazing support!



Taskforce for Lung Health

The Taskforce for Lung Health is a coalition of over 50 organisations working together with one voice to improve the nation's lung health and outcomes for people with lung disease. It focuses on influencing government, the NHS and other decision-makers in three key policy areas: diagnosis, access to treatment and workforce. The charity hosts the Taskforce, employing staff on their behalf.

Over the past year, the Taskforce has launched a set of publicly available respiratory data dashboards to improve transparency and drive better care. It has campaigned for the NHS 10-Year Health Plan to place a strong emphasis on respiratory health and co-hosted a parliamentary reception with Community Pharmacy England to launch an action plan on the role of pharmacies in lung health. The Taskforce also successfully influenced the BTS/NICE/SIGN Joint Guideline on Asthma, securing important changes to the draft around inhalers and spacers, and worked with the National Screening Programme and NHS England to secure publication of an Incidental Findings Protocol, ensuring a consistent approach to managing patients with incidental findings.



Healthy Air Coalition

organisations with a shared vision of a UK free from toxic air. It works to influence the UK Government to take ambitious action to deliver the health, NHS and economic benefits of clean air. The charity provides the secretariat for the Coalition.

This year, the coalition has expanded its membership and strengthened its campaigning voice, with health leaders such as the Royal College of Physicians and the Royal Society for Public Health playing a more visible role. It has held multiple meetings with government ministers and secured a commitment from DEFRA to consult on policy interventions to reduce the harms of domestic burning. The coalition has also engaged cross-party MPs to raise awareness of localised pollution hotspots, while enabling grassroots and smaller members to join discussions and advocate for practical solutions.

A major milestone this year was the publication of the Healthy Air Coalition's blueprint for government action on clean air, Making Britain's Air Cleaner, Healthier and Better to Breathe. Developed through extensive consultation and consensus-building with members, the report sets out a cross-government vision for tackling air pollution. It was launched in Parliament with speeches from the minister responsible for air quality and Professor Sir Michael Marmot – and was endorsed by the entire coalition membership.



Sir Michael Marmot speaking in Parliament at the launch of 'Making Britain's Air Cleaner, Healthier and Better to Breathe' report.

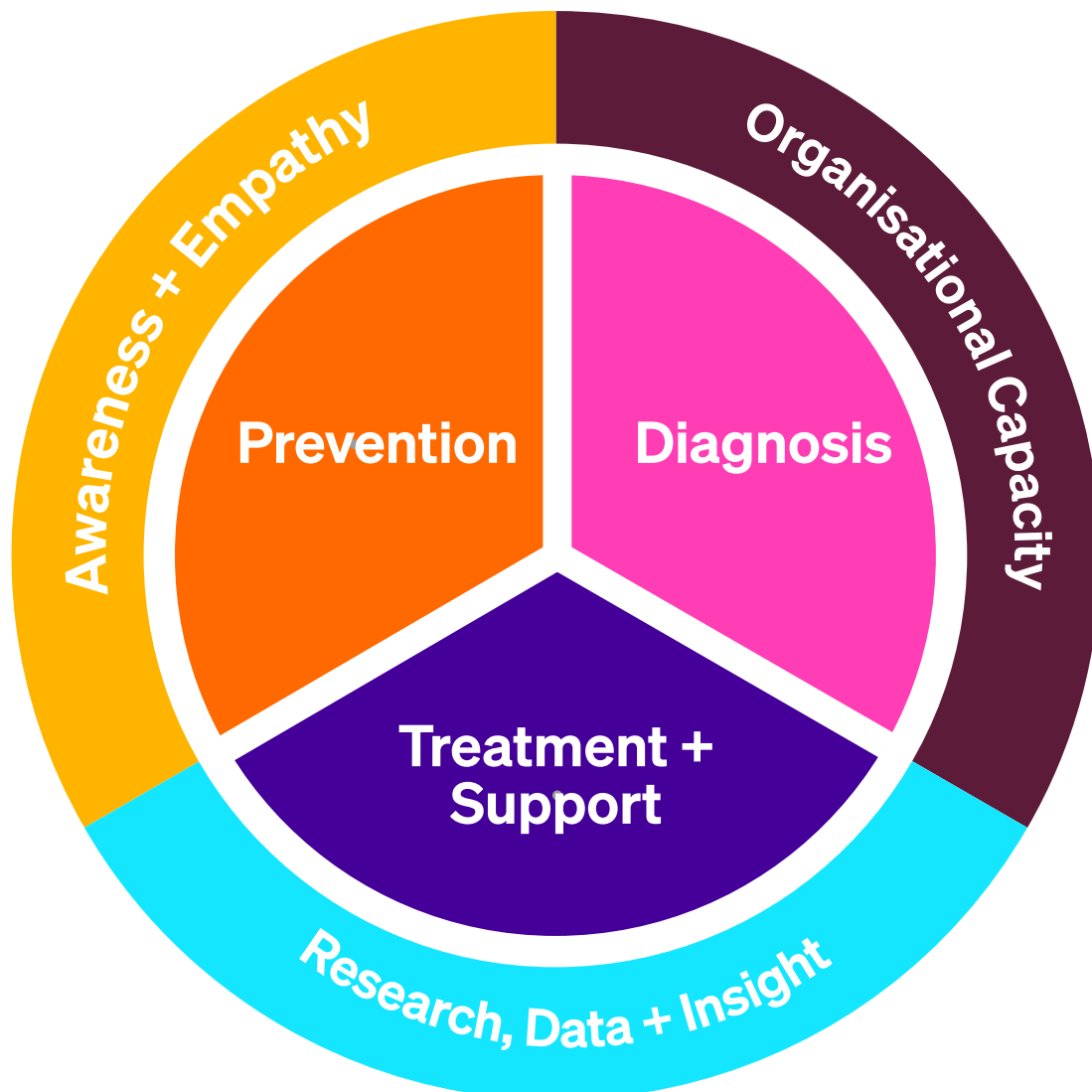
**We want
everyone
to grow up
breathing air
that doesn't
damage their
lungs.**



Our plans for 2026

We will build on the **success** of our approach of running cross-departmental projects. We will run four campaigns, one in each quarter, that tackle seasonal issues and with actions to **support** our programmes for research, prevention, diagnosis, treatment and support.

Elections to the Scottish Parliament and Welsh Senedd are planned for May 2026, and we will engage with all political parties involved.



1 Prevention

Our ambition is for no one to develop a lung condition that could have been prevented. We will:

Keep up the pressure to create a smokefree generation in the UK

Asthma and Lung UK wants to see an end to smoking which causes so much ill health. We will hold the government to account on the introduction of more controls on smoking. At the same time, we want to see more controls around vaping, which should only be used as a smoking cessation product.

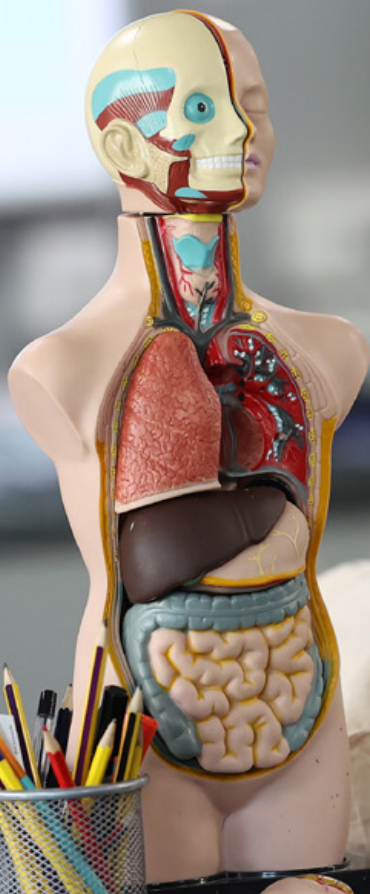
Campaign for clean air

Asthma and Lung UK will continue to work with a broad coalition of health and environmental partners to support the clean air agenda. We will be urging policymakers in Westminster, the devolved governments and regional local authorities to commit to World Health Organisation targets for air pollution.

Work in schools in the next academic year

Asthma and Lung UK works with schools on our Clean Air Champions project. During 2024-25 we grew the network to 200 schools. As well as offering free air pollution monitors, schools in the network will also receive free curriculum-based learning resources, enabling students to expand their knowledge on air pollution and lung health. We are sincerely grateful to the Bupa Foundation for supporting this initiative.

Clean Air Champions programme at the Alt Bridge School in Liverpool.



2

Fighting for earlier diagnosis

We need to speed up diagnosis to keep people out of hospital and stop permanent damage to their lungs. We will

→ Lobby

the government for a commitment to quicker lung condition diagnosis.

We will lobby

for a firm commitment to a six-week maximum wait for diagnostic tests, with an aim of halving waiting lists by 2028.

→ Work

with funders and other charities to transform lung health diagnostics.

We will build

support and funding for a new diagnostics research approach.

→ Support

those in search of a diagnosis.

We will provide

advice and support to those with symptoms but still waiting for a diagnosis through our Helpline and health advice web pages.



We need to speed up diagnosis to keep people out of hospital.

3

Fighting for better treatment and support

We want no one who has difficulty breathing to look back and think that with better care they could have had a better life. In 2025-26, we will:

Be a leader in the government's Diagnosis Connect programme

In summer 2025, the government announced the launch of a new Diagnosis Connect initiative aimed at helping newly diagnosed patients by connecting them to specialist charities to provide them with information, social connection, understanding and support. Lung conditions were identified as one of the key areas of focus for the pilot and we will develop a proposal to be part of the pilot scheme which will go live in 2026. We will investigate options using Artificial Intelligence in order to ensure that this programme is scalable.

Support respiratory excellence within the NHS

Asthma and Lung UK will continue to develop its Healthcare Professionals Hub to provide resources to NHS clinicians and help them to support people living with lung conditions. We aim to expand our work with Respiratory Champions and hope to roll out our programme of working with GPs and hospitals at points of crisis for newly diagnosed patients and those leaving hospital after a flare-up.

Improve access to pulmonary rehabilitation

Pulmonary rehabilitation includes a series of tailored lung health exercises to improve the health of people living with lung conditions. It is a simple, cost-effective and proven way of improving people's lives and also for taking pressure off the NHS. Yet access is patchy and in areas of high deprivation the service is often not available. Asthma and Lung UK will work with the network of healthcare providers and community leaders to drive up access and participation. We are a partner in the Upturn project, a three-year study spearheaded by Addenbrookes Hospital, looking at the barriers to uptake of pulmonary rehabilitation by patients with COPD from under-represented groups.

We will work with healthcare professionals to deliver two major campaigns drawing together every element of our work to reduce hospitalisation during the winter and peak hay fever seasons. We will measure the reach and the impact of our campaigns in reducing pressure on the NHS.



4

Fighting for life-changing research, data and insight

We want there to be no stone unturned when it comes to finding a treatment, cure or better way to diagnose and manage lung conditions. In 2025-26 we will:

Build the foundations for research

We will develop agreed priorities for research on breathlessness which reflect patient priorities. We will also work with the Lung Research Innovation Group to identify the biggest challenges on the respiratory agenda to make a compelling case for investment into a new Centre for Breathlessness Research and beyond.

Invest in respiratory research leadership and the Lung Research Grand Challenges

We will fund research projects through our Respiratory Leadership Academy which aims to attract, develop and retain the brightest minds to respiratory research, ensuring a healthy pipeline of stellar research talent who will lead the lung research breakthroughs of tomorrow. We will offer Junior Fellowship awards to early career researchers to help them establish an independent career in lung research while tackling the Lung Research Grand Challenges, 3 ten-year goals that aim to transform lung health. We are also working with the British Thoracic Society to co-fund grants that will support healthcare professionals who wish to pursue a PhD as a gateway to a respiratory research career.

Invest in improving respiratory health data

We will fund research projects on the theme of improving data and will continue to work closely with other charities and health organisations, including Our Future Health and Health Data Research UK, to make high quality data available for researchers.

Put patients at the heart of research

We will grow our Respiratory Insights Service to offer patient perspectives to innovators on self-management products and develop a support for recruitment of patients into clinical trials.

Secondary care for lung conditions costs the NHS

£6.3

billion a year.

Building awareness and empathy

We need to overcome the ignorance and stigma surrounding lung disease. We will build integrated campaigns which increase awareness and understanding during critical times such as the cold winter months and the summer pollen season.

Being an outstanding organisation

During 2025-26 we will continue to accelerate the delivery of our strategy through the development and implementation of a theory of change model, reviewing and enhancing our data capture and utilisation and by updating our finance system.

We will set high expectations for fundraised income, including strategies for working with major corporate partners on multi-year funding propositions, working with our funders to ensure that their journey with us is as beneficial as possible and seeking a high-profile charity of the year opportunity

Our battle for breath.

Will you join us?

Financial review

The Trustees present their report and audited financial statements for the year ended 30 June 2025. The financial statements on pages 60 to 62 are prepared in accordance with the Charities SORP and FRS102, and comply with the current statutory requirements.

Overview

During the year to 30 June 2025, we raised £16.1 million (2023-24: £14.8 million).

During the year we spent £15.9 million (2023-24: £18.5 million).

Summary of our financial performance in the year to 30 June 2025.

	2024-25 £'000	2023-24 £'000
Total Income	16,112	14,769
Total Expenditure	15,869	18,498
Net spend before investment gains	243	(3,729)
Gain/(Loss) in value of investments	(510)	1,476
Gain/(Loss) on investment asset	(53)	915
Net movement in funds	(320)	(1,338)

Overall, the net movement in funds was a decrease in total reserves of £0.3 million, (2023-24: decrease of £1.3 million).

Income saw an increase compared with the previous year thanks mainly to increased legacy income while expenditure was significantly lower as the organisation benefitted from reduced spend on premises which were inflated in 2023/24 following the relocation of the charity. Expenditure was also reduced as the charity targeted a break-even position after several years of deficit positions.

How we raise our money

Asthma and Lung UK relies almost exclusively on voluntary donations and grants from individuals, trusts, corporates, and statutory bodies. The fundraising environment across all these sectors remains challenging. The breakdown of this income is shown in note 3 to the accounts. Unrestricted income grew to £8.6 million from £8.0 million in the previous year, and restricted income also grew to £7.5 million, up from £6.7 million.

Principal fundraising

Income from legacies and donations:

Asthma and Lung UK is grateful for the money received from legacies and the voluntary donations made by individuals and businesses (including pharmaceutical companies). During the year to 30 June 2025 the charity received donations and legacies totalling £13.1 million (2023-24: £10.9 million).

During the year to 30 June 2025, we received a total of £7.3 million from legacies (2023-24: £4.9 million). As of 30 June 2025, we had received notification of £6.9 million future legacy income (2023-24: £7.2 million).

There remain delays to the processing of probate and the subsequent distribution of funds as a result of the backlog experienced by His Majesty's Courts and Tribunals Service following the pandemic. The backlog is, however, reducing although it still remains difficult to predict the time from notification to payment.

During the year to 30 June 2025, we received donations totalling £4.0 million (2023-24: £3.8 million) from individual and corporate donors. This is slightly up on 2023-24 but the environment remains tough as individuals and corporates both struggle to continue to provide support in the face of difficult economic circumstances. We are planning to invest in developing our cohort of regular givers in 2025-26 with the launch of a face-to-face fundraising programme and are reviewing our in-memory giving process to rebuild this income stream for future years.

Donations from supporters through community activities and events, which includes sporting challenges such as the London Marathon and the Great North Run, amounted to £1.4 million (2023-24: £1.7 million). These contributions come from a huge variety of activities undertaken and supported by thousands of people throughout the year and represent a significant achievement by individuals on behalf of the charity, many of whom are living with a lung condition themselves. We are very grateful for their efforts.

Asthma and Lung UK benefited from gifts in kind income of £0.2 million (2023-24: £0.4 million). These donations predominantly reflect the value of the Google grant programme that supports our online marketing.

Income from charitable activities

During the year to 30 June 2025 Asthma and Lung UK received income of £2.0 million from donations connected to our charitable activity (2023-24: £2.8 million). This includes grant income from trusts and foundations, aligned to our objectives, and from our patient insights work, a new income stream that we have developed to provide researchers with cohorts of people living with lung conditions.

Grant income includes grants received from charitable foundations connected to pharmaceutical companies. These awards are made in strict compliance to the Association of British Pharmaceutical Industry (ABPI) code of conduct, that specifically forbids any benefit from these grants for the pharmaceutical company behind the foundation. During the year to 30 June 2025 Asthma and Lung UK received funding of £0.7 million from these foundations (2023-24: £0.7 million). In line with the ABPI Code of Conduct our financial transactions with pharmaceutical industries are disclosed in the table below.

Table: Transactions with pharmaceutical companies

ABPI Pharma	Purpose	24/25 Amount	23/24 Amount
Association of British Pharma-ceutical Industries	Payment in respect of CEO time for sitting on the ABPI Council	5,900	
AstraZeneca UK Ltd	Mart Action Plan		67,000
AstraZeneca UK Ltd	Respiratory Champions	260,000	110,000
AstraZeneca UK Ltd	Taskforce for Lung Health	66,000	55,000
Chiesi Ltd	Brand fee - Chiesi COPD Hubs		96,000
Chiesi Ltd	Grant - Chiesi COPD hubs		35,756
Chiesi Ltd	Taskforce for Lung Health	55,000	55,000
CSL Seqirus	Flu vaccination awareness campaign		20,000
GSK OCS Survey			7,776
GSK	Taskforce for Lung Health	55,000	55,000
Insmmed Ltd	Taskforce for Lung Health	35,000	
Pfizer Ltd	Winter Lung Health Campaign	126,000	
Pfizer Ltd	Taskforce for Lung Health	50,000	60,000
Sanofi	Taskforce for Lung Health	55,000	55,000
Sanofi	Let's Dance for COPD Event	3,600	
Sanofi	Respiratory Insights Workshops	21,584	
Sanofi	COPD Roadshow		90,000
Verona Pharma	Taskforce for Lung Health	5,000	
Total		738,084	706,532

During the year to 30 June 2025, we received income of £0.1 million from our patient insights programme (2023-24: £0.1 million). This work allows researchers to test new products and interventions with people living with lung conditions, ensuring that the patient voice is heard on new innovations in the field of lung health and that research remains grounded.

Income from trading activities

During the year to 30 June 2025 Asthma and Lung UK received trading income of £0.4 million (2023-24: £0.5 million). This relates to corporate sponsorship, sales of lottery tickets and sales merchandise through our online shop. Trading activities are managed through ALUK Trading Limited (Company number 02341027). Asthma and Lung UK wholly own the share capital of the subsidiary. All profits are transferred to the parent charity under the company gift aid scheme. The results of the trading company are consolidated in the accounts, its performance is shown in note 4 to the accounts.

Income on investments and interest on cash deposits

Total income from investments and interest in the year to 30 June 2025 was £0.6 million (2023-24: £0.6 million).

How we spent our money

Total resources expended were £15.9m million (2023-24: £18.5 million). This decrease represents a decrease in charitable expenditure of £2.0 million and a decrease in the cost of generating funds of £0.6 million. Notes 5 to 7 of the financial statements of this report provide an analysis of our expenditure.

Charitable expenditure

In the year to 30 June 2025 Asthma and Lung UK spent a total of £12.3 million (2023-24: £14.3 million), including new grant awards of £1.4 million (2023-24: £3.4 million).

Staff costs increased because of the 3% pay increase across the organisation.

Our charitable spend focussed on three broad programmes of charitable activity:

- Research: research grants and activity related to the administration of the grants
- Improving care: our policy and campaigning work
- Advice and support: patient-facing services, such as our Helpline, WhatsApp service and online health advice.

Expenditure on improving care was £4.5 million, (2023-24: £4.2 million). This increase essentially driven by inflationary increases in staff costs and other services.

Expenditure on advice and support was £4.5 million (2023-24: £5.0 million).

Costs of generating funds

In the year to 30 June 2025 Asthma and Lung UK spent £3.6 million (2023-24: £4.2 million restated) on generating funds. These figures include investment management fees.

Support and governance costs

During the year to 30 June 2025 Asthma and Lung UK incurred support costs of £5.9 million (2023-24: £6.9 million). The reduction in support costs is predominantly the result of one-off expenditure in 2023-24 in IT and Facilities incurred as part of the relocation of the central office which was not replicated in 2024-25.

Support costs include the costs of running the governance, finance, people, IT support, project management and facilities functions, including costs of data and insight and engagement activities. Support costs are allocated on the basis of spend (excluding the value of grants awarded) to the other categories. Details of the allocation are to be found in note 7 of the financial statements.

Balance sheet

The full balance sheet can be found on page 61 of this report and Note 18 to the financial statements: Statement of Funds provides detail on specific fund types. As of 30 June 2025, total net assets stood at £11.9 million (30 June 2024: £12.2 million).

Endowments and restricted funds stood at £4.7 million (30 June 2024: £4.8 million).

Designated and unrestricted funds stood at £7.2 million (30 June 2024: £7.4 million).

A designated fund for the investment property of £2.5m was reduced to zero in the year following the successful sale of the investment property in August 2024.

The designated fund for fixed assets includes the capitalised costs of fixtures and fittings, IT equipment and leasehold improvements. The value of this fund stood at £1.4 million on 30 June 2025 (30 June 2024: £1.6 million).

Investments

The Finance + Audit Committee, which reports to the Board of Trustees, monitors the activities and performance of the investment managers on a regular basis.

The charity's aims in investing its funds continue to be to:

- produce the best financial return within an acceptable level of risk.
- maintain the capital value of our investments in real times over a 3–5-year cycle.
- hold sufficient liquid funds to meet short-term funding requirements.

Investments are invested in pooled funds, and the Finance + Audit Committee monitors each fund's performance annually and compares with industry benchmarks to ensure the funds remain appropriate for the charity's investments. During 2023-24 we completed the transfer of all our investments to a single fund manager, CCLA, that specialises in managing investments for churches, charities and local authorities and leaves them committed to socially responsible investments.

Investment performance

The movement on investments is shown in note 12. Total losses on investments for the year were £0.5 million (2023-24: gain of £1.5 million). Whilst this is a disappointing performance in the year, it reflects the current volatility being seen in markets and the goal of CPI+4% growth remains the long-term expectation of the trustees. These investments are seen as long term investments and volatility is managed through our unrestricted reserves when that volatility leads to a downward valuation.

Reserves

How we manage our reserves

Asthma and Lung UK holds money in reserves to ensure it can continue to be there for everyone with a lung condition. It also holds reserves required to meet its commitments and obligations. The charities SORP sets out four broad categories of reserves:

- Unrestricted: funds which we can use to fulfil any part of our charitable mission.
- Restricted: funds which have some form of condition attached specifying how they can be spent. For example, this may be a restriction relating to a particular lung condition, or it may relate to a specific project that a donor has generously agreed to fund.
- Endowment: restricted funds which are held for a long-term benefit, from which income can be generated and spent.
- Designated: funds which the Trustees have set aside for some specific purpose which are not included in our assessment of free reserves. This includes our fixed asset reserve, which reflects the value of the charity's fixed assets.

Our reserves picture is more complicated than for some charities. As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. This is particularly the case for asthma, and that's partly because of our history as two separate charities that came together to form Asthma and Lung UK. We also receive funds for other conditions like COPD.

In June 2022, to recognise our move to a single name and brand, the Trustees considered our approach to managing our reserves and agreed an updated reserves policy effective from 1 July 2022.

In note 18 to the accounts, we've set out the full picture of our reserves.

In order to keep our management of reserves as simple as possible and to avoid unnecessary administration costs, we account for all general expenditure as unrestricted expenditure. We then apportion a reasonable share of these costs to the various restricted funds and make transfers between the funds to reflect this. To do this, we have used a combination of the prevalence of each condition and demand for our charitable services, and we will apportion costs as follows:

Proportionate share of common costs	
Condition	Percentage share (nearest 5%)
Asthma	55%
Bronchiectasis	5%
Childhood wheeze	10%
COPD	10%
COVID-19 and Long COVID	10%
Infectious diseases (including COVID-19)	5%
Interstitial lung diseases (e.g. IPF)	5%

The apportionment of costs continues to appear as fund transfers and is visible in our accounts. Where there are insufficient funds to cover the share of costs, we reduce any available balance to zero and don't seek to redistribute any shortfall.

Our reserves policy

Our reserves policy and calculation methodology is based on Charity Commission best practice as set out in CC19 and is designed to ensure the charity can continue its charitable work despite fluctuations in income and investment performance. This has become particularly relevant given the economic volatility of recent years, through the impact of COVID-19, the rising cost of living and the war in Ukraine, on both our ability to fundraise and the value of our investments.

Our policy is also designed to ensure we can meet our commitments in relation to research grant funding and reduce the likelihood of the charity having to close if it were to be met with difficult financial circumstances. We set a minimum level of reserves and an upper target, and our aim is that the unrestricted reserves fall within this range. Unrestricted reserves are defined above.

The required level of free reserves is calculated using the following steps:

- a requirement to hold reserves to mitigate income risk.
- a reduction to reflect expenditure which would be stopped quicker in the event of a close-down, such as investments in new fundraising.
- a requirement to hold reserves to partially mitigate investment volatility, based on historic movements over three years (based on the performance benchmark data for the funds), adjusted for the proportion of total reserves held in investments at the last balance sheet date.
- a specific provision for future research activity, discounted to reflect estimated specific fundraising to backfill reserves.
- a small working capital requirement of one month of expenditure, adjusted as with step four, added to provide an upper limit to the target.

Based on our 2025-26 budget and assessment of the risk factors above, our Trustees recommend a range of between £4.4 million and £5.4 million in unrestricted reserves.

Our reserves at the end of the financial year

At the end of the year, the charity held total funds of £11.9 million (2023-24: £12.2 million). Excluding endowment funds, restricted funds and funds designated for specific purposes the charity held £5.8 million of unrestricted funds being our free reserves. This sits above the minimum target for free reserves and in 2025-26, trustees will consider new initiatives in which to invest this surplus of free reserves.

Financial position at the end of the year and outlook

At the end of the reporting period the net movement in funds was a deficit of £0.3 million (2023-24 net deficit of £1.3 million). The result of the sale of the investment property concluded in August 2024 and the sum achieved, £2.5 million, has been added to our investment portfolio and was used in part to replenish reserves.

Going concern

The financial statements are prepared on a going concern basis, and Trustees consider that the charity will remain a going concern for at least the next 12 months.

Our plans for 2025-26 include a planned small surplus and the future aim will be to consistently set budgets that deliver a breakeven position in each of the next 3 years.

Whilst we predict that income will drop slightly in 2025-26, with budgeted total income of £15.4 million, of which £14.4 million is expected to be fundraised income, it is increasingly difficult to accurately predict many forms of income. As a result, our reserves policy includes holding a portion of reserves to allow for shortfalls in income. The charity's fundraising income remained broadly stable between 2023-24 and 2024-25 after excluding an exceptional year in legacy income, and at the point of signing these accounts, indications show that our financial performance in 2025-26 remains stable.

Planned expenditure will be reduced to match the drop in income in 2025/26, with the budget set at £15.0 million (2024-25: £15.9 million) reflecting the recent restructure of support functions at the end of 2024-25 to conclude the transformation of the charity following the merger.

A cashflow forecast which runs to the end of December 2026 completed using the 2025-26 budget and similar assumptions for 2026-27 indicates that the charity will remain financially viable throughout and beyond this period.

These factors taken together lead the Board of Trustees to conclude that the charity is a going concern and will remain a going concern for at least the next 12 months.

Fundraising governance and regulations

Participation in fundraising regulation and our compliance with the code

We value the support of every one of our donors and work hard to ensure that our fundraising activity is open, legal and fair. We work with the Fundraising Regulator and the Chartered Institute of Fundraising to make sure our fundraising activities operate to the highest standards. We proudly adhere to the Code of Fundraising Practice, and our Fundraising Promise is posted on our website. We never sell contact data, and our supporters can change their communication preferences at any time.

How we protect vulnerable people

Every donor is an individual with a unique background, experiences and circumstances – and every interaction between a fundraiser and donor is different. We require all staff to follow best practice guidelines for dealing with vulnerable people and our Policy for Fundraising with Vulnerable Supporters is available on our website. We constantly review best practice guidance on protecting individuals at risk and have updated our self-exclusion from gambling process to safeguard the wellbeing of individuals. We continuously look to ensure we appropriately act to protect potentially vulnerable people whilst also protecting the reputation of the organisation and its employees.

We comply with the Chartered Institute of Fundraising guidance, set out in Treating Donors Fairly. We also require our staff, and any agencies contacting members of the public on our behalf, to comply with guidelines provided by the Data and Marketing Association and the Public Fundraising Regulatory Association. These guidelines do not cover children and young people under the age of 18, and we do not actively seek donations from them.

How we monitor fundraising activities by third parties

We work with a variety of third parties to raise money, including commercial participators and professional fundraisers. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. This year, we continued to employ a telephone agency to call people on our behalf. We provided guidance to their staff and monitored calls regularly to ensure they represented the organisation appropriately.

Complaints

Asthma and Lung UK received twelve direct fundraising complaints this year. We received one complaint through the Fundraising Regulator upon investigation the complaint was not upheld, and the Regulator was satisfied by our response. We take all complaints seriously and the Supporter Care Team have responsibility for ensuring that complaints about the organisation are recorded and handled appropriately. In all cases we aim to resolve or acknowledge receipt within five working days, and our Fundraising Complaints Procedure is easily found on our website.

FPS requests

The Fundraising Preference Service (FPS), run by the Fundraising Regulator, is aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. Asthma and Lung UK received 8 of these requests in the period from 1 July 2024 to 30 June 2025.

Risk and uncertainties

The Board has ultimate responsibility for the management of risk, and they have delegated the responsibility to the Finance + Audit Committee to oversee the charity's risk management strategy and process. The risk register is reviewed regularly by the Committee and key risks are highlighted on a risk heat map. Risks are then discussed at every Board meeting.

A formal risk management policy and framework has been adopted to ensure there is a shared understanding of risks and how they can be managed. The risk register is used to ensure identified risks have suitable mitigations in place, the risk appetite is understood and to highlight any additional controls to reduce the risk further. It is reviewed by the Executive Team who discuss changes to the risk register at a monthly meeting. Project risks are managed within the Project Management toolkit and escalated to the Executive Team or the Finance + Audit Committee as appropriate.

The key risks and uncertainty are set out in the table along with mitigation and future actions

Risk	Mitigation	Future actions
<p>Being unable to respond to changes in our beneficiaries' needs</p> <p>Failure to fully understand the changing needs of our beneficiaries could lead to an inadequate response to increased or changing demands and consequent reduction in levels of engagement with people living with lung conditions.</p>	<ul style="list-style-type: none"> • Five-year strategy places the needs of people with lung health issues at the heart of our activities • Information acquired through helpline and support group sessions • Engagement with the Respiratory Voices network • Results of surveys into the needs of people living with lung conditions 	<ul style="list-style-type: none"> • Roll-out of our programme to increase our contact with the newly diagnosed and people leaving hospital • Projects to increase access to pulmonary rehabilitation
<p>Failure to uphold standards for clinical and research governance</p> <p>Failure to deliver consistent programmes that are compliant with best clinical governance, and evidence the impact of our activities, could lead to the loss of funding opportunities.</p>	<ul style="list-style-type: none"> • Compliance to AMRC best practice guidelines for giving research funding • Employment of professionally qualified nurses for our helpline • Recording and review of helpline calls supporting continual professional development • Evaluation procedures built into programme work 	<ul style="list-style-type: none"> • Delivery of an enhanced EDI plan to increase our reach to minority groups • Continuing checking of qualifications and competencies of staff and volunteers

Risk	Mitigation	Future actions
<p>Unable to attract and retain talented staff</p> <p>Failure to recruit and retain a strong and robust workforce, including employees and volunteers, could impact our ability to deliver our ambitions for our beneficiaries. This may include a failure to embed an inclusive workplace culture.</p>	<ul style="list-style-type: none"> • People and Governance Committee • Values built into performance management process • Staff Forum • Whistleblowing policies and procedures • People policies and procedures 	<ul style="list-style-type: none"> • Benchmarking of benefits packages • Implementation of talent management strategy
<p>Failure to raise enough income or manage our resources to maximise their value</p> <p>Failure to raise enough income to deliver our annual business plan. Failure to manage the impact of inflation on operating costs causing unbudgeted deficit. Failure to respond to loss in values of investment assets leading to a reduction in our reserves.</p>	<ul style="list-style-type: none"> • Finance + Audit Committee review performance against budget and forecast • Reserves Policy • Executive Team monitoring delivery of strategic objectives and income pipelines • Budget aligned to annual business plan and strategy • Regular robust reforecasting 	<ul style="list-style-type: none"> • Implement new approaches to data to enhance both beneficiary and supporter journeys. • Increased investment in key fundraising roles
<p>Lack of research funding affects delivery of our research work</p> <p>Less investment and reduced capacity in research and innovation could reduce the volume of research, weaken academic workforce/institutions/collaborations and delay discovery and clinical trials, stalling new knowledge and innovation that could benefit people with lung disease.</p>	<ul style="list-style-type: none"> • Work with AMRC and other medical charities to amplify the message and raise awareness of lack of investment • Invest in proven research and innovation funding influencing models • Review funder strategies for co-funding opportunities 	<ul style="list-style-type: none"> • Increase our own research funding over the coming years • Influence others through research calls to action, to leverage our own funds so that even greater sums are spent overall

Risk	Mitigation	Future actions
<p>Influencing and communications</p> <p>Failure to effect change on behalf of beneficiaries in a complex external environment or failure to deliver against our policy priorities could lead to poorer delivery of care, lack of progress on public health including clean air and worsening health outcomes for people with lung disease.</p>	<ul style="list-style-type: none"> • Launch of new brand to support the strategy • Founder member of the Healthy Air Coalition working with other charities to support clean air campaigning • Professional communications team ensure consistency and accuracy of messages • Dedicated public affairs team working with Westminster politicians and devolved governments to raise awareness of lung conditions and their impact 	<ul style="list-style-type: none"> • Development of relationships with government elected in July 2024 • Working, through the Healthy Air Coalition, to reach grassroots organisations and extend work in schools • Continuing to run the secretariat for the Taskforce for Lung Health to bring together key partner organisations to speak with one voice on lung health
<p>Cyber attack</p> <p>Loss of operational ability and loss of data caused by a cyber attack on charity systems</p>	<ul style="list-style-type: none"> • Cyber activity monitored by a Cyber Security Centre • Annual penetration testing and implementation of arising actions • Systems designed to withstand attacks and managed by a Managed Service Provider 	<ul style="list-style-type: none"> • Development and testing of an enhanced Cyber Security Incident Plan • Accreditation of computer security to the Cyber Essentials Plus standard
<p>Ethics and integrity</p> <p>Failure to act in the best interests of our beneficiaries, or failure to comply with all applicable legal and regulatory requirements could lead to decreased engagement with people with lung disease, loss of funding opportunities and regulatory censure.</p>	<ul style="list-style-type: none"> • Compulsory e-learning for new starters including UK GDPR, cyber-security, safeguarding, EDI and health and safety. • Internal information governance group to approve changes to data and cyber processes. • Ethical fundraising and investment policies, aligned to Fundraising Regulator standards 	<ul style="list-style-type: none"> • Monitor and report on achievement of ESG agenda

Trustees' report

Structure, governance and management

Structure

Asthma and Lung UK (the Charity) is a company limited by guarantee (registered company number 01863614 in the United Kingdom and 005851F in the Isle of Man) and is a charity registered and regulated by the Charity Commission in England and Wales (Charity number: 326730), the Office of the Scottish Charity Regulator in Scotland (Charity number: SC038415) and the Attorney General of the Isle of Man (Charity number: 1177).

The Charity's constitutional document is its Articles of Association which sets out the charitable objectives. These are:

- the relief of persons suffering from diseases of the chest and lungs, to include, on a continuing basis, asthma, and the prevention of those diseases;
- the promotion of medical research into the prevention, treatment, alleviation and cure of those diseases and the dissemination of the useful results of such research for the benefit of the public and the promotion of post-graduate training and the creation of fellowships, hospitals, medical centres and research institutes; and
- the provision of care, support, services and information for persons suffering from those diseases.

The Charity is governed by a Board of Trustees chaired under powers defined in the Memorandum and Articles of Association which was last updated in March 2022. The Board of Trustees may number between five and fifteen Trustees. On 1 July 2024, thirteen Trustees were in post; on 30 June 2025, the number of Trustees in post remained at thirteen.

No trustee was appointed during the period 1 July 2024 to 30 June 2025 and no trustee resigned in the period.

The Board is supported by two sub-committees: the Finance + Audit Committee and the People + Governance Committee.

The day-to-day running of the Charity is the responsibility of the Executive Team, led by the Chief Executive.

Asthma and Lung UK has two active subsidiary companies:

- Asthma Enterprises Limited (registered company number 02355314), and
- ALUK Trading Limited (registered company number 02341027).

Each subsidiary is a wholly owned independent company with a board of directors. The companies are used for trading activities and gift their profits, with Gift Aid, to the parent charity. More details on the subsidiary companies are available in Note 4 to the financial statements on page 68. During the period 1 July 2024 to 30 June 2025 Asthma Enterprises Limited was dormant, its assets and liabilities have been transferred to ALUK Trading Limited. An application has been submitted to strike off Asthma Enterprises Limited.

Asthma and Lung UK cooperates closely with other charities with aligned objectives providing the secretarial support to two charitable consortia:

- Taskforce for Lung Health, see page 27
- Healthy Air Coalition, see page 28

Under these arrangements, each charity operates independently to achieve our common goals.

Governance

The Board

The Board of Trustees may have a minimum of five and up to fifteen Trustees. Trustees may serve for up to two terms of four years. Retiring Trustees may be re-elected but no Trustee can serve more than two consecutive terms unless the Trustees decide there are exceptional circumstances.

Two honorary roles exist, Vice Chair and Treasurer, that the Trustees may appoint from their number for a term of office as they see fit.

Trustees receive no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

Committees

The Board is supported by two committees to which it delegates certain authorities. The committees work to their terms of reference, which is approved by the Board and reviewed periodically.

Finance + Audit Committee

The Finance + Audit Committee meets at least four times a year. It reviews and makes recommendations to the Board on:

- finance, including budgets and management accounts
- risk management
- audit and statutory reporting
- investments
- capital projects
- customer complaints and feedback.

People + Governance Committee

The People + Governance Committee meets at least twice a year. It reviews and makes recommendations to the Board on:

- Trustee nomination and recruitment.
- benefits for employees.
- health and safety.
- Safeguarding.
- employee and volunteer-related complaints and feedback.

Research Review Panel

Members of the panel are invited independent experts who meet to review grant applications and make recommendations to Trustees and inform and review progress against the research strategy. A full list of members who attended panels in 2024-25 is provided on page 56 of this report.

Trustee appointment and induction

The Board completes a self-assessment regularly against the Charity Commission Governance Code, last updated in September 2023. This information is used to inform the brief for the appointment of new Trustees. In the previous financial year, the Trustees engaged the audit firm, Price Bailey, to complete a review of governance arrangements including compliance to the Governance Code, this was delivered in March 2024, and the Board has overseen the implementation of the recommendations made in the report.

New Trustees are given an induction tailored to their role, including meeting with relevant staff and senior management team members, historical information including Board and Committee minutes and strategic plans. Each Trustee is given information on their legal duties and invited to attend external Trustee training events funded by the charity. On appointment, each Trustee completes a register of interests, which is reviewed annually and agrees to abide by the Charity Commission's Governance Code and the charity's own Code of Conduct.

Short biographies for all serving Trustees can be found on our website: <https://www.asthmaandlung.org.uk/about-us/our-leadership-team>

Pay and benefits for key staff

Remuneration for the Chief Executive and Executive Team is set, maintained and reviewed by the People + Governance Committee. Senior staff salaries are benchmarked to the midpoint of two publicly available Charity Remuneration surveys.

Trustees are unpaid but are reimbursed reasonable expenses incurred in their duties.

Public benefit

The Trustees confirm that they have referred to the information in the Charity Commission's guidance on public benefit when reviewing Asthma and Lung UK's aims and objectives, in planning activities, and setting policies and priorities for the year ahead.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with FRS102, and United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). 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 the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Asthma and Lung UK will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Crowe U.K. LLP were reappointed as the charitable company's auditors during the year. The Trustees' annual report has been approved by the Trustees on 03 December 2025 and signed on their behalf by

Signed on behalf of the Board of Trustees of Asthma and Lung UK



Chair of Trustees

A handwritten signature in black ink, appearing to read 'Tamara Ingram OBE', written over a horizontal line.

Tamara Ingram, OBE

Independent Auditor's Report to the Members

Opinion

We have audited the financial statements of Asthma and Lung UK (“the charitable company”) and its subsidiaries (the “group”) for the year ended 30 June 2025 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the Financial Group Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups’ and the charitable company’s affairs as of 30 June 2025 and of the group’s 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee’s 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 or the group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept / 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 49 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect there under.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005, with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR) and employment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, agreeing income to contracts or other supporting evidence on a sample basis, testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission and the Scottish Charity Regulator (OSCR), and reading minutes of meetings of those charged

with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter

Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP

Statutory Auditor

London

Date: 10 December 2025

Related parties

The Trustees maintain a register of interest and related party declaration is completed annually. Conflicts of interest are declared at the beginning of every Board and Committee meeting and any conflicts of interest are managed in accordance with the Articles of Association.

Asthma and Lung UK is a member of the Taskforce for Lung Health and provides the secretariat for this group. We are members of the Association of Medical Research Charities and maintain close links to the British Thoracic Society, Primary Care Respiratory Society UK and other professional respiratory societies and patient charities. We are a member of the Richmond Group and we are also a member of the UK Lung Cancer Coalition, the Global Lung Cancer Coalition, the Common Cancers Coalition, the Smoke Free Action Coalition, and the Healthy Air Coalition, which we also provide the secretariat for. In the charity sector, we are a member of the National Council of Voluntary Organisations.

A number of Trustees and senior management sit on other respiratory health committees and programme boards and the charity is involved in initiatives across the UK.

Membership of the Research Award Panel

Core members

Professor Andres Floto, University of Cambridge
Professor Clare Lloyd, Imperial College London
Professor Najib Rahman, University of Oxford
Dr Shamil Haroon, University of Birmingham
Dr Nicola Heron, Medicines Discovery Catapult
Phil Taverner, lay member
Roberta Hobbs, lay member

Respiratory Junior Fellowship Awards

Professor Phil Molyneaux, Imperial College London
Dr Manu Plate, University College London
Dr Hannah Durrington, , University of Manchester
Dr Ting Shi, University of Edinburgh
Professor Mona Bafadhel, Kings College London
Dr Nicholas Hannan, University of Nottingham
Dr Queenie Ping, Nottingham University Hospitals Trust
Dr Hannah Whittaker, Imperial College London
Dr John Blaikley, University of Manchester
Hana Ayooob, lay member

Healthcare Professional PhD Bursary

Dr Kate Lippiett, University Hospitals Southampton NHS Trust
Professor Janelle Yorke, University of Manchester
Dr Ruth Barker, Imperial College London
Dr Anna Murphy, University Hospitals of Leicester NHS Trust
Dr Enya Daynes, University Hospitals of Leicester NHS Trust
Vivienne Gaynor, lay member

Data Research grants

Dr Macey Murray, University College London
Professor Michael Robling, Cardiff University
Dr Fiona Lugg-Widger, Cardiff University
Dr Sara Fontanella, Imperial College London
Dr Andrew Fogarty, University of Nottingham
Terri Quigley, lay member
James Edwards, lay member

Thank you!

We are extremely grateful for the **continued support** from our donors, supporters, campaigners, volunteers and those people who have left us a gift in their will. A special **thank you** must go to our Patron and our Presidents for their unstinting support.

Major donors

Julian Schild
The Dean Family

Corporate partnerships

Lucas	Bupa- Sustainable Markets Initiative
Irwin Mitchell	UK Power Networks
Electricity North West	
GeneSys Biotech	

Trusts and statutory

Bupa Foundation
Clean Air Fund
E B M Charitable Trust
Impact on Urban Health
Peacock Charitable Trust
P F Charitable Trust
Players of People's Postcode Lottery
Robert Luff Foundation Ltd
The Phillips 2012 Charitable Trust
The Revere Charitable Trust

Pharmaceutical

AstraZeneca	Pfizer
Chiesi	Pulmonix
GSK	Sanofi
Insmed	Trudell
Pari Medical	Verona Pharma

We would not be able to continue our work without your support.

Company information

Company name

Asthma and Lung UK stylised as
“Asthma + Lung UK”.

Company number

01863614 (England and Wales)
005851F (Isle of Man)

Charity name

Asthma and Lung UK (since February 2022), stylised as
“Asthma + Lung UK”.

Previous names

Asthma UK and British Lung Foundation Partnership
(January 2020 to February 2022)
Asthma UK (Up until January 2020)
British Lung Foundation (Up until January 2020)

Charity number 326730 (England and Wales)
SC038415 (Scotland) 1177 (Isle of Man)

Presidents

Professor Sir Michael Marmot
The RT Hon Sir John Major, KG, CH

Patron

HRH The Duchess of Gloucester, GCVO

Trustees

Tamara Ingram, OBE
Professor Ian Hall – Vice Chair (Resigned July 2025)
Jim Bowes – Chair of People and Governance
Committee (resigned July 2025)
John Hannaford – Chair of the Finance and Audit
Committee
Niren Patel
Katherine Morgan
Professor Ian Sabroe (Resigned July 2025)
Caroline Cartellieri Karlsen – Chair of People and
Governance Committee
Michael O’Connor, CBE
Victor Cholij
Professor David Lomas
Doctor Tom Hodson
Crystal Rolfe (appointed August 2025)
Hannah Johnson (appointed August 2025)
Dr Jamie Duckers (appointed August 2025)
Stephanie Vaughan (appointed August 2025)

Company Secretary

Sarah Sleet

Key senior management

Sarah Sleet – Chief Executive
Henry Gregg – Director of External Affairs -resigned
May 2025
Andrew McCracken – Director of External Affairs
(appointed November 2025)
Mark Chapman –Director of Finance and Corporate
Services (appointed July 2025)
James Culling –Director of Fundraising and
Engagement
Mike McKeivitt –Director of Services
Dr Samantha Walker – Director of Research and
Innovation

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London

Auditors

Crowe U.K.
55 Ludgate Hill
London

Solicitors

Bates Wells LLP
10 Queen Street Place
London

Investment managers

CCLA
1 Angel Lane
London EC4R 3AB

Registered office address

The White Chapel Building
10 Whitechapel High Street
London E1 8QS

www.asthmaandlung.org.uk

Financial statements

Group Statement of Financial Activities

for the 12 months to 30 June 2025 (incorporating consolidated income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	30 June 2025 Total funds £'000	30 June 2024 Total funds £'000
Income from:						
Donations and legacies		7,558	5,539	–	13,097	10,906
Charitable activities		112	1,925	–	2,037	2,757
Other trading activities		391	–	–	391	523
Investments		491	69	27	587	583
Total income	2 (b), 3	8,552	7,533	27	16,112	14,769
Expenditure on:						
Expenditure on raising donations and legacies	7a–7c	3,432	10	–	3,442	4,016
Investment management costs		99	21	8	128	135
Total expenditure on raising funds		3,531	31	8	3,570	4,151
Net incoming resources available for charitable application		5,021	7,502	19	12,542	10,618
Charitable activities:						
Research	7a–7c	2,232	1,101	–	3,333	5,205
Improving care	7a–7c	3,433	1,038	–	4,471	4,191
Advice and support	7a–7c	4,226	269	–	4,495	4,951
Total expenditure on charitable activities		9,891	2,408	–	12,299	14,347
Total expenditure	7a–7c	13,422	2,439	8	15,869	18,498
Net income/(expenditure) before investment gains		(4,870)	5,094	19	243	(3,729)
Gains/(losses) on financial investments	12	(367)	21	(164)	(510)	1,476
Gains/(losses) on investment property	13	(53)	–	–	(53)	915
Net income/(expenditure)		(5,290)	5,115	(145)	(320)	(1,338)
Transfers between funds		5,087	(3,958)	(1,129)	–	–
Net movement in funds		(203)	1,157	(1,274)	(320)	(1,338)
Reconciliation of funds:						
Fund balances brought forward at 1 July 2024		7,406	1,211	3,596	12,213	13,551
Net movement in funds		(203)	1,157	(1,274)	(320)	(1,338)
Fund balances carried forward at 30 June 2025	18	7,203	2,368	2,322	11,893	12,213

Prior year split between unrestricted and restricted appears in Note 24.

There are no unrecognised gains or losses other than those disclosed above. All of the results derive from continuing activities in the period.

The accompanying notes are an integral part of this statement of group financial activities.

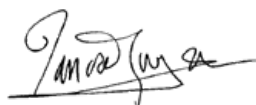
The deficit determined under the Companies Act 2006 is £487k (2023/24: £1,467k deficit).

Balance sheet

as at 30 June 2025

	Notes	Consolidated		Charity	
		30 June 2025 £'000	30 June 2024 £'000	30 June 2025 £'000	30 June 2024 £'000
Fixed assets					
Intangible assets	11	590	704	590	704
Tangible assets	11	809	939	809	939
Investments	12	15,115	15,767	15,115	15,867
Property held for Investment	13	–	2,515	–	2,515
Total fixed assets		16,514	19,925	16,514	20,025
Current assets					
Stock		27	28	–	–
Debtors	14	2,281	1,878	2,604	1,990
Cash at bank and in hand		4,017	3,475	3,716	3,265
Total current assets		6,325	5,381	6,320	5,255
Creditors					
Amounts falling due within one year	15	9,116	10,107	9,111	10,081
Net current assets/(liabilities)		(2,791)	(4,726)	(2,791)	(4,826)
Total assets less current liabilities		13,723	15,199	13,723	15,199
Creditors falling due after more than one year	16, 17	1,830	2,986	1,830	2,986
Net assets		11,893	12,213	11,893	12,213
Represented by:					
Funds					
Endowment funds		2,322	3,596	2,322	3,596
Restricted funds		2,368	1,207	2,368	1,207
Designated funds-fixed assets		1,399	1,644	1,399	1,644
Designated fund – property held for investment		–	2,515	–	2,515
Designated funds – Fundraising Accelerator Fund		–	244	–	244
Unrestricted funds		5,804	3,007	5,804	3,007
	18	11,893	12,213	11,893	12,213

The annual trustees' report and accounts including notes 1 to 23 were approved and signed on their behalf by the Trustees on 02 December 2025.



Tamara Ingram
Chair



John Hannaford
Chair of the Finance & Audit Committee

Group cash flow statement

for the 12 months ended 30 June 2025

Notes	30 June 2025 £'000	30 June 2024 £'000
Cash flow from operating activities:		
Net cash provided by operating activities (a)	(2,417)	(3,138)
Cash flow from investing activities:		
Dividends and interest from investments	587	583
Cash rebate on investment management fees	14	23
Purchases of tangible fixed assets	(38)	(886)
Purchases of intangible fixed assets	(66)	–
Proceeds from sale of investments	2,462	15,807
Purchases of investments	–	(12,314)
Increase of cash held in investment portfolio	–	1
Net cash provided by/(used in) investing activities	2,959	3,214
Change in cash and cash equivalents in the reporting period	542	76
Cash and cash equivalents at the beginning of the reporting period	3,475	3,399
Cash and cash equivalents at the end of the reporting period (b)	4,017	3,475
Notes:		
Net income for the reporting period	(320)	(1,338)
Adjustments for:		
Depreciation charges	168	120
Amortisation of intangible fixed assets	180	196
Loss on investments funds	510	(1,476)
Loss on investment assets	53	(915)
Investment management fees	128	135
Dividends and interest from investments	(587)	(583)
(Increase)/decrease in stock	1	(1)
(Increase)/decrease in debtors	(403)	(173)
Increase/(decrease) in creditors falling due within one year	(991)	579
Increase/(decrease) in creditors falling due in more than one year	(1,156)	318
(a) Net cash provided by/(used in) operating activities	(2,417)	(3,138)
(b) Analysis of cash and cash equivalents		
Cash in hand	4,017	3,475

Notes to the group financial statements

for the 12 months ended 30 June 2025

1. Charity Information

Asthma and Lung UK is a company limited by guarantee (registered number 01863614 England & Wales; 005851F Isle of Man), which is a public benefit entity and registered as a charity (charity number 326730 England & Wales; SC038415 Scotland and 1177 Isle of Man), and domiciled in the UK. The address of the registered office is The White Chapel Building, 10 Whitechapel High Street, London, E1 8QS.

Asthma and Lung UK was formed from the merger of Asthma UK and the British Lung Foundation on 1 January 2020. Upon the merger the charity became known as the Asthma UK and British Lung Foundation Partnership while it maintained two separate outward facing charity brands. On 28 February 2022 we re-launched the charity under our new name and brand.

To facilitate this merger of equals, the trustees of Asthma UK resolved to donate the net assets of the charity at fair value to the British Lung Foundation, which renamed itself to reflect the merged charity's focus. The merged charity took on responsibility for all assets and liabilities previously held by Asthma UK. Excluding endowment and restricted funds, the remaining net assets were treated as restricted in line with the pre-merger objects of Asthma UK. A restricted fund for asthma was created, into which any general income raised under the Asthma UK identity was paid. We continue to receive generous donations restricted to asthma which are also paid into that fund, and as a multi-condition charity, the same principle applies to donations received for other conditions such as COPD.

2. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP applicable to charities and the public benefit entities accounting under FRS 102 (second edition), preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The accounts are prepared under the historical cost convention, with the exception of quoted investments and property held for investment which are stated at market value.

Basis of consolidation

The financial statements have been consolidated to include the results of the charity's subsidiaries using the equity line by line method. Transactions and balances between the charitable company and its subsidiaries have been eliminated through the consolidated financial statements. No separate statement of financial activities for the charity has been prepared for the Charity alone as permitted under Section 408 of the Companies Act 2006.

Included in the group results are income of £16,073k (2024: £14,487k); expenditure of £15,830k (2024: £18,347k); investment losses of £563k (2024: gains of £2,391k) and a net decrease in funds of £320k (2024: £1,338k decrease) resulting from activities of the Charity.

The particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Whilst 2024/25 saw a small deficit generated by the loss on investments, the charity has set a breakeven budget for 2025/26 and aims to maintain a breakeven position in each of the next

3 years. A cashflow analysis confirmed that the charity remains a going concern throughout 2026. The key judgements that the charitable company has made, which have a significant effect on the accounts, include estimating the liability from multi-year grant commitments. The trustees do not consider that there are any 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 reporting period.

(b) Income

All incoming resources are included in the statement of financial activities when the group is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable. When income is received in advance of providing goods or services, it is deferred until the group becomes entitled to the income.

Residuary legacies are recognised when all the three criteria below are met:

1. Establish entitlement – entitlement to legacies is taken as the earlier of the estate accounts being approved or cash received.
2. Where receipt is probable – the charity is aware that probate has been granted.
3. The amount is measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed.

Pecuniary legacies are recognised on probate.

Where 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, then the legacy is treated as a contingent asset and disclosed if material.

For both government grants and grants received from other sources, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

Gifts in kind are recognised at reasonable estimates of their gross value to the charity or the amount actually realised. Gift in kind in Note 3 largely relates to free ad words provided by Google which has been predominantly used to promote health messaging around asthma management.

Investment income includes dividends and interest but excludes realised and unrealised investment gains and losses.

(c) Expenditure

Expenditure is classified by reference to specific activity categories, so that all direct costs relating to a specific activity have been aggregated. Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing Asthma and Lung UK's investments. The costs of these activities also include expenditure of an indirect nature necessary to support them.

Expenditure on charitable activities are costs incurred to meet the objectives of Asthma and Lung UK. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Liabilities in respect of research grants, senior research fellowships and professorial chairs are recognised at the point at which the grant is awarded which is when the future commitment represents a constructive obligation. Where a grant may run for more than one year the entire obligation is recognised at the time of the initial award, although disbursement of the funds may be made in subsequent accounting periods.

(d) Allocation of support costs

Support costs, which include general functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance are separately analysed and then allocated across the categories of charitable expenditure, governance costs and the costs of generating funds.

Governance costs relate to general running of the charity and include audit fees, legal advice for trustees, costs associated with constitutional and statutory requirements and costs associated with the strategic management of the charity.

The basis of allocation of support costs are reviewed regularly and are explained in detail in note 7(b). The basis of the cost allocation has been explained in the notes to the accounts.

(e) Pension costs

Asthma and Lung UK operates two defined contribution pension schemes for its employees depending on historical contractual arrangements. Contributions to the scheme(s) are charged to the Statement of Financial Activities when incurred.

(f) Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight-line basis at the following rates:

Long leasehold property	over 50 years
Leasehold improvements	over the duration of the lease
General office equipment and furniture	over 5 years
Fixtures, fitting and furniture specific to buildings	over the duration of the lease
Computer hardware	over 3 years
Intangible fixed assets – software	over 3 to 5 years

Tangible and intangible fixed assets are stated at cost less accumulated depreciation/amortisation or any provision for impairment. Individual items under £2,000 are not capitalised.

(g) Fund accounting

The company maintains four types of funds. General unrestricted funds are funds available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the designated and restricted funds are set out in the notes to the financial statements. At the year-end any fund deficits are maintained only when the trustees are of the opinion that such deficits will be eliminated by future committed giving or income generated from investments. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in Note 18.

The details of how we manage these funds are set out in the Trustees' Annual Report, which also sets out how we set a target level of reserves with reference to the total of Unrestricted 'free' reserves.

Endowed funds are funds to be held permanently, where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose although their constituent assets may change from time to time.

(h) Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease or until the next review date if earlier.

(i) Taxation

The charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiaries (Asthma Enterprises Limited, and ALUK Trading Limited) have not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Asthma and Lung UK is registered for VAT and has partial exemption in respect of its trading activities.

(j) Financial instruments

Financial assets and financial liabilities are recognised when Asthma and Lung UK becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Asthma and Lung UK 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Asthma and Lung UK has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Investments, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertaking is held at cost less impairment.

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note 14. Financial liabilities comprise all creditors as set out in Notes 15 and 16.

At the balance sheet date the Group held financial assets at fair value through income or expenditure of £5,743k (23/24: £5,004k) and Financial liabilities at amortised cost of £10,947k (23/24: £13,093k).

(k) Judgements and estimates

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. An example of such an estimate relates to the dilapidations on our old Mansell Street premises (£203k), which will not be known in full until a final assessment is received from the landlord. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

3. Income

	Group unrestricted funds £'000	Group restricted funds £'000	Group endowment funds £'000	2025 Total funds £'000	2024 Group funds £'000
Income from charitable activities:					
Income from donations and legacies					
Legacies	3,424	3,893	–	7,317	4,907
Donations from individuals and corporates	2,459	1,568	–	4,027	3,751
Donations from trusts	65	19	–	84	123
Donations from community and events fundraising	1,364	59	–	1,423	1,695
Gifts in kind	246	–	–	246	430
	7,558	5,539	–	13,097	10,906
Income from charitable activities					
Grants	47	1,893	–	1,940	2,660
Patient Insights	65	32	–	97	97
	112	1,925	–	2,037	2,757
Income from trading activities					
Corporate income	160	–	–	160	88
Income from gaming	177	–	–	177	193
Sale of merchandise and health advice resources	54	–	–	54	242
	391	–	–	391	523
Income from investments					
Income from investment portfolio	359	69	27	455	528
Interest from cash deposits	132	–	–	132	55
	491	69	27	587	583
Total income	8,552	7,533	27	16,112	14,769

4. Trading activities of subsidiaries

At the start of the financial year, Asthma + Lung UK had two wholly owned trading subsidiaries: Asthma Enterprises Limited ('AEL') and ALUK Trading Limited (formerly BLF Services Limited).

Asthma Enterprises Limited

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. It has been dormant for several years and ceased all trading activity prior to the year end. The company was previously responsible for the generation of income through various commercial activities for the financial benefit of the charity.

During the year ended 30 June 2025, the company's share capital was reduced from £100,002 to £1 through a transfer to reserves and a final dividend declared payable to its parent, Asthma + Lung UK. Following these transactions, AEL had no remaining assets or liabilities, and on 13 August 2025 an application was submitted to Companies House for the company to be struck off and dissolved. The strike-off process is expected to be completed in 2025/26.

Summarised financial results for the year ending 30 June 2025 and the financial position at 30 June 2025 dates for Asthma Enterprises Limited, were:

	12 months to 30 June 2025 £'000	12 months to 30 June 2024 £'000
Operating results:		
Turnover	–	–
Cost of sales	–	–
Gross profit	–	–
Administrative expenses	–	–
Net profit for the year before gift aid donation to the charity	–	–
Interest received	–	1
Gift aid donation to the charity	–	–
Net profit for the year	–	1
Loss c/fwd	–	(1)
	–	–
Balance sheet		
Current assets	–	100
Creditors: amounts falling due within one year	–	–
Net assets	–	100
Share capital	–	100
Retained profit/(loss)	–	–
Shareholders' funds	–	100

4. Trading activities of subsidiaries (continued)

ALUK Trading Limited

ALUK Trading Limited, a subsidiary, is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2025 and the financial position as at 30 June 2025 of ALUK Trading Limited, were:

	12 months to 30 June 2025 £'000	12 months to 30 June 2024 £'000
Operating results:		
Turnover	237	281
Cost of sales	(36)	(111)
Gross profit	201	170
Administrative expenses	(34)	(40)
Net profit for the year before Gift Aid donation to the charity	167	130
Net loss carried forward (AEL)	–	(1)
Gift Aid donation to the charity	(167)	(129)
Net profit for the year	–	–
Balance sheet		
Current assets	412	383
Creditors: amounts falling due within one year	(412)	(383)
Net assets	–	–
Share capital	–	–
Shareholders' funds	–	–

Any profits made by ALUK Trading Limited are paid by gift aid to the parent charity.

5. Grants awarded

	2025 £'000	2024 £'000
Awarded during the year – Research	1,384	2,938
Awarded during the year – Other	–	521
Grants written back	(46)	(23)
Total research grants charged in the year	1,338	3,436

A full list of research grants made during the year is detailed in Note 22.

6. Expenditure

	2025 £'000	2024 £'000
This is stated after charging:		
Depreciation	168	120
Amortisation	180	196
Auditors remuneration	46	45
Auditors remuneration – other work	4	1
Operating lease – land and buildings	360	363
Operating lease – other	16	13

7a. Analysis of total resources expended

	Grants to institutions £'000	Activities undertaken directly £'000	Support costs £'000	2025 Total £'000	Restated 2024 Total £'000
Cost of generating funds:					
Fundraising costs	–	2,041	1,401	3,442	4,016
Investment management fees	–	128	–	128	135
	–	2,169	1,401	3,570	4,151
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	1,338	1,183	812	3,333	5,205
Improving care	–	2,652	1,819	4,471	4,191
Advice and support	–	2,667	1,828	4,495	4,951
	1,338	6,502	4,459	12,299	14,347
Total	1,338	8,671	5,860	15,869	18,498

7b. Allocation of support costs

	Finance	Governance	Executive	IT	Data insight	HR	Facilities	Engagement	2025 Total	Restated 2024 Total
Cost of generating funds	160	30	67	330	156	123	163	372	1,401	1,848
Research	93	17	39	191	90	71	95	216	812	815
Improving care	208	39	87	428	202	160	212	483	1,819	1,929
Advice and support	210	38	87	432	203	161	212	485	1,828	2,277
	671	124	280	1,381	651	515	682	1,556	5,860	6,869

Support costs have been apportioned on the basis of the direct costs of each area of expenditure (excluding research grants awarded) as a proportion of total direct costs. Governance costs incurred in 24/25 were £124k (23/24: £207k). Governance costs include staff time spent on this activity, internal and external audit fees, and direct costs incurred by the board and its' sub-committees which are allocated per distinct budgetary activity.

8. Employees

	2025 £'000	2024 £'000
Salaries	7,677	7,775
National Insurance contributions	784	742
Employer's pension contributions	424	435
Redundancy costs	87	10
Ex gratia payments	–	39
Temporary staff	174	136
	9,146	9,137

No redundancy or termination payments were outstanding at year-end.

	2025	2024
Number of staff (head count based on number of staff employed):		
Charitable services	93	98
Fundraising	57	54
Central services	35	39
Chief Executive's office	3	4
	188	195

Employer pension contributions have been allocated to the fund to which the salary of the respective staff member has been charged.

9. Remuneration of the charity's key management personnel

The key management personnel of the charity include the Trustees, Chief Executive, Chief Operating Officer, Director of Research & Innovation, Director of Fundraising & Engagement, Director of Services and Director of External Affairs.

	2025 £'000	2024 £'000
Total remuneration of key management personnel	779	802

The number of employees receiving remuneration of over £60,000 for the year was as follows:

	2025	2024
£60,001–£70,000	11	10
£70,001–£80,000	5	3
£80,001–£90,000	–	1
£90,001–£100,000	5	3
£100,001–£110,000	–	3
£110,001–£120,000	–	–
£120,001–£130,000	–	–
£130,001–£140,000	1	–

The pension costs in respect of these employees included in the above, amounted to £88,987 (2024: £85,013).

Total remuneration including pension contribution for the Chief Executive Officer was £142,425 (2024: £101,360).

The prior year comparatives for employees receiving remuneration of over £60,000 have been corrected to include termination/redundancy costs.

The prior year comparative for remuneration of key management personnel has been corrected to include termination/redundancy payments and employer's NIC contributions.

The revisions affect the analysis only and do not change total staff costs or the primary statements.

10. Trustees' expenses

None of the trustees received any remuneration during the year. Three Trustees' incurred expenses totalling £1,051 in the year (2024: £1,113).

11. Fixed assets

	Consolidated and Charity			Total £'000
	Short leasehold property £'000	Office furniture and equipment £'000	Computer equipment £'000	
Cost				
At 1 July 2024	883	119	251	1,253
Additions	–	3	35	38
Disposal	(68)	(60)	(47)	(175)
At 30 June 2025	815	62	239	1,116
Depreciation				
At 1 July 2024	102	75	137	314
Charge for the period	82	12	74	168
Disposal	(68)	(60)	(47)	(175)
At 30 June 2025	116	27	164	307
Net book value				
At 30 June 2025	699	35	75	809
At 30 June 2024	781	44	114	939

Capital commitments contracted but not provided for in the financial statements comprise £nil (2024: £nil).

11. Intangible asset

	Computer software
Cost	
At 1 July 2024	1,022
Additions	66
At 30 June 2025	1,088
Depreciation	
At 1 July 2024	318
Charge for the period	180
At 30 June 2025	498
Net book value	
At 30 June 2025	590
At 30 June 2024	704

12. Investments: consolidated

	2025 Total investments £'000	2024 Total investments £'000
Market value as at 1 July 2024	15,767	17,943
Acquisitions	–	12,313
Sales proceeds	–	(15,807)
Investment management fees	(142)	(157)
Movement in cash deposits	–	(1)
Investment gain/(loss)	(510)	1,476
Market value as at 30 June 2025	15,115	15,767

	2025 Total £'000	2024 Total £'000
Investments: Charity only		
UK Common Investment Funds	15,115	15,767
Cash	–	–
Investment in subsidiary	–	100
	15,115	15,867
Historical cost as at 30 June 2025	14,282	14,282

The charity has two wholly owned subsidiaries; Asthma Enterprises Limited and ALUK Trading Limited.

ALUK Trading Ltd supports the charity by carrying out ancillary trading activities.

Asthma Enterprises Limited is in the process of being struck off following a formal application submitted to Companies House on 8 August 2025. On 23 June 2025, the subsidiary passed a resolution to reduce its share capital and declared a dividend to return remaining reserves to the parent charity. This has been reflected as a receivable in the balance sheet, with a corresponding reduction in the investment value.

The results of the trading subsidiaries are set out in Note 4.

13. Investment property

Consolidated and charity	2025 Goswell Road £000's	2024 Goswell Road £000's
Cost		
At 1 July 2024	2,515	1,600
Gain on Revaluation	–	915
Disposal	(2,515)	–
At 30 June 2025	–	2,515

The investment property was revalued to £2.5m at 30 June 2024, based on an arm's-length sales offer received shortly after the reporting date.

The property was disposed of during the year ended 30 June 2025 for gross proceeds of £2.515m. After deducting selling costs of £53k, a net loss on disposal of £53k has been recognised in the SOFA within Gains/(losses) on investment assets.

The charity holds no investment properties at 30 June 2025.

14. Debtors

	Consolidated		Charity	
	2025 £000's	2024 £000's	2025 £000's	2024 £000's
Trade debtors	352	254	324	108
Amounts due from Interco	–	–	418	258
Income tax recoverable – Gift Aid	195	333	195	333
Other debtors	211	234	211	234
Prepayments	555	376	555	376
Accrued income	968	681	901	681
	2,281	1,878	2,604	1,990

At 30 June 2025, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £6.9 million (2023/24: £7.2 million), which had not been accrued.

15. Creditors' amounts falling due within one year

	Consolidated		Charity	
	2025 £000's	2024 (restated) £000's	2025 £000's	2024 (restated) £000's
Trade creditors	89	299	89	299
Tax & Social Security	238	200	238	200
Research grants	7,720	8,360	7,720	8,360
Other creditors	102	172	102	172
Other accruals	719	806	719	806
Deferred income	45	67	41	41
Provisions	203	203	202	203
	9,116	10,107	9,111	10,081

Research grants represent the value of grants made up to the balance sheet date that are payable within one year.

Deferred income comprises £30k (2024: £31k) of lottery income for subscriptions collected where the draw has not yet taken place and £15k (2024: £26k) of sponsorship income from fundraising events, such as marathons where the event has not yet taken place.

Provisions comprise £203k for property dilapidations (2024: £203k).

In the prior year, a balance of £176k previously presented within 'Other Creditors' has been reclassified to 'Other Accruals' to better reflect its nature. This reclassification has no impact on the net assets or results reported for that year.

16. Creditors' amounts falling after one year

	Consolidated		Charity	
	2025 £000's	2024 £000's	2025 £000's	2024 £000's
Research grants	1,830	2,986	1,830	2,986
	1,830	2,986	1,830	2,986

17. Research grants

	2025 total £000's	2024 total £000's
Balance as at 1 July 2024	11,346	10,868
Research grants awarded during the year	1,384	2,938
Grants written back	(47)	(23)
Payments during the year	(3,210)	(2,508)
Recharged to third parties	77	71
Balance as at 30 June 2025	9,550	11,346
Research commitments		
Awards falling due within one year	7,720	8,360
Awards falling due after more than one year	1,830	2,986
	9,550	11,346

18. Statement of funds

	Notes	1 July 2024 fund balance b/f £000's	Income £000's	Expenditure £000's	Investment Gains/ (Losses) £000's	Reallocation between funds £000's	30 June 2025 fund balance c/f £000's
Endowment funds							
Wells	(b)	110	2	(1)	(5)	(106)	–
Evetts	(a)	1,065	25	(7)	(60)	(1,023)	–
Glaxo Endowment fund	(c)	2,421	–	–	(99)	–	2,322
Total endowment		3,596	27	(8)	(164)	(1,129)	2,322
Restricted funds							
Wells Restricted		–	–	(106)	–	106	–
Evetts Restricted		–	–	(205)	–	1,023	818
GSK-BLF Chair	(c)	(573)	69	(21)	21	12	(492)
Mesothelioma research	(d)	1,066	–	–	–	(945)	121
Victor Dahdelah Charitable Fund	(e)	70	–	–	–	–	70
Taskforce for Lung Health		151	287	(152)	–	(125)	161
Garfield Weston Long Covid Fund		16	–	–	–	–	16
NHS England Long-Covid Fund		(1)	–	–	–	–	(1)
NHS England – Green Inhalers		18	–	(5)	–	(13)	–
Childhood RSV		6	–	–	–	–	6
Digital Patient Passports		59	–	(41)	–	(18)	–
Clean Air Community Mobilisation		8	73	(67)	–	(14)	–
Breathe Easy Funds		140	50	(68)	–	–	122
Other Restricted Funds	(f)	251	2,744	(1,723)	–	275	1,547
		1,211	3,223	(2,388)	21	301	2,368
Restricted to asthma	(g)	–	4,310	(51)	–	(4,259)	0
Total restricted		1,211	7,533	(2,439)	21	(3,958)	2,368
Designated funds							
Fixed assets	(h)	1,644	–	(345)	–	100	1,399
Investment property	(i)	2,515	–	–	(53)	(2,462)	–
Fundraising Accelerator Fund	(j)	244	–	(134)	–	(110)	–
Total designated		4,403	–	(479)	(53)	(2,472)	1,399
General fund							
Unrestricted general fund		3,003	8,552	(12,943)	(367)	7,559	5,804
Total general funds		3,003	8,552	(12,943)	(367)	7,559	5,804
Total unrestricted		7,406	8,552	(13,422)	(420)	5,087	7,203
Total funds		12,213	16,112	(15,869)	(563)	–	11,893

18. Statement of funds (continued)

- (a) Beryl Evetts Fund capital was invested in perpetuity and income restricted for use for research purposes. During the year, the Charity obtained consent from the Charity Commission to unendow this fund. The capital was released from endowment and transferred to restricted funds to be applied towards new research grant programmes in line with the fund's original charitable purpose.
- (b) Peggy Wells fund was endowed for research activity. During the year, the Charity obtained consent from the Charity Commission to unendow this fund. The capital was released from endowment and transferred to restricted funds to be applied towards new research grant programmes in line with the fund's original charitable purpose.
- (c) The Glaxo Endowment Fund and the restricted Glaxo Chair fund relate to a permanent endowment, the income from which is used to fund a research Chair post. The balance on the restricted fund is currently in deficit but will be replenished with the income received from the investment fund in which the endowment is held. The deficit arose as a result of an historic accounting error which was corrected during the 2021–22 year.
- (d) Several donors, including an insurance company, have restricted their donations to fund various research projects into mesothelioma. During the year, a transfer of £945,000 was made from the Mesothelioma Fund to Other Restricted Funds to correct a prior year misallocation. Both funds are restricted and relate to Mesothelioma research activities; the transfer has no impact on total restricted funds.
- (e) Funding from the Victor Dahdaleh Charitable Foundation is used to fund research into Mesothelioma and has been used to launch the mesothelioma research network.
- (f) Other restricted funds consist largely of project-related activity funds, or condition-specific funds which may be spent relating only to a condition or set of conditions within the portfolio of conditions the charity supports.
- (g) The restricted fund for asthma was created upon the merger of Asthma UK and the British Lung Foundation, consisting of the net unrestricted assets of Asthma UK as at 31 December 2019. Income raised under the Asthma UK brand prior to our relaunch as Asthma and Lung UK is deemed restricted to asthma and is added to this fund. This also applies to any regular donations committed under Asthma UK, or donations where the donor has expressed a wish that the money be spent on asthma. Direct expenditure and the costs of raising money restricted to asthma are charged directly to the fund. Under the legal agreement for the merger, it was agreed that 45% of all indirect costs incurred for the benefit of all lung conditions would be transferred into unrestricted funds. These are principally the general running costs of the organisation, and any charitable spend which benefits all lung conditions including asthma, as well as the costs of generating those funds. From 1 July 2022 a new methodology is in place, as set out in our Trustees' Annual Report.
- (h) The fixed asset fund relates to the short-term leasehold of the charity's head office at The White Chapel Building, office furniture and equipment and various software systems.
- (i) The investment property fund related to the charity's office in Goswell Road, London, which was sold in the year. The related designated fund, which represented the value of this asset, was therefore released and transferred to the general unrestricted fund following the sale.
- (j) The trustees at the June 2023 meeting approved two designated funds to accelerate growth in research and fundraising. These funds were fully spent down in the year.

18. Statement of funds (continued)

	Group designated funds £000's	Group unrestricted funds £000's	Group restricted funds £000's	Group endowment funds £000's	2025 Total funds £000's
Fund balances as at 30 June 2025 are represented by:					
Fixed assets	1,399	–	–	–	1,399
Investments	–	12,794	–	2,322	15,115
Net current assets/(liabilities)	–	(5,160)	2,368	–	(2,791)
Non-current liabilities	–	(1,830)	–	–	(1,830)
Total funds	1,399	5,804	2,368	2,322	11,893

19. Taxation

Asthma and Lung UK is a charity within the meaning of Part 1 of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 Schedule 6 to the Finance Act 2010. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

20. Lease commitments

At 30 June 2025 Asthma and Lung UK had annual commitments under non cancellable operating leases as set out below:

	2025 Land and buildings £000's	2025 Other £000's	2024 (restated) Land and buildings £000's	2024 Other £000's
Operating leases which expire:				
Within one year	376	1	349	11
In the second to fifth years inclusive	1,035	3	1,113	5
Over five years	1,066	–	1,364	–
	2,477	4	2,826	16

The prior year operating lease payments disclosure has been amended to reflect the impact of future rent concessions, which were not taken into account in the original disclosure.

21. Related party transactions

The trustees in office during the year are listed in the Trustees' Report.

Asthma and Lung UK is a registered charity and company limited by guarantee and does not have share capital. The trustees have no financial interest in the charity's results or assets and received no remuneration for acting in that capacity.

In 2021 the charity appointed TPXimpact to scope and develop a new single website for the charity, which launched in early 2023. The appointment was made following a robust procurement process overseen by a firm of independent advisors, Hart Square. TPXimpact continue to provide support of the charity's website.

Jim Bowes served as its Chief Executive at TPXimpact until September 2021, when he stepped down. Jim has no ongoing management or ownership control of the organisation and is a minority shareholder, however he is a close associate of the directors of TPXimpact.

During the year £95k (23/24: £79k) was paid to TPXimpact for the continued support of the website.

The charity received unrestricted donations from five (23/24: eight) Trustees totalling £802 (23/24: £1,772).

During the financial year, the charity charged ALUK Trading Ltd £31k (23/24: £37k) for provision of staff and £39k (23/24: £115k) for expenses incurred on behalf of the subsidiary. Additionally, the charity collected £87k (23/24 £81k) of income on behalf of ALUK Trading Ltd.

At 30th June 2025, ALUK Trading Ltd owed the charity £418k (2024: £258k).

There are no other disclosable related party transactions other than those disclosed in Note 10.

22. Grants awards during the year

During the year the Trustees awarded the following research grants.

Grant amount £000's	Awarded to	Grant duration
180	Mayur Murali	36 months
100	Dr Robert Hall	18 months
100	Dr Kamini Rakkar	15 months
100	Dr Nikolaos Kanellakis	18 months
100	Hannah Whittaker	12 months
98	Dr Khine Myint	12 months
98	Dr Rory Chan	18 months
98	Ireti Adejumo	12 months
98	Dr Naijie Guan	12 months
96	Dr Juma El-Awaisi	12 months
93	Anna Rattu	19 months
77	Dr Ben Knox-Brown	12 months
71	Dr Enya Daynes	12 months
52	Dr Jane McDowell	18 months
23	Ben Bowhay	26 months
1,384	Total research grants awarded	

23. Grants received

In accordance with agreements entered into with grantors, the charity acknowledges the receipt of the following grants included within the total in the statement of financial activities.

Incoming resources 2025 £000's	Funder	Purpose of funding
382	Various foundations	Data, Insights, and Finance System Upgrade
321	Impact on Urban Health	Fairer and Healthier Air Project
280	Medical Research Council	Equal Breath PSP
260	Astra Zeneca	Respiratory Champions
256	Clean Air Fund & Impact on Urban Health	Healthy Air
250	Various foundations	Respiratory Leadership Academy
73	CAF: Clean Air Community Mobilisation	Clean air in the city – supports our regional clean air work in key cities such as Manchester, Birmingham and Glasgow etc (expansion and development of previous partnership)
71	Cambridge University Hospitals NHS Foundation Trust	UPTURN – Pulmonary Rehabilitation Uptake Study
47	The British United Provident Association Ltd (BUPA)	Camden – Breathing Better Initiative
1,940		

24. SOFA split for prior year (2024) between unrestricted, restricted and endowment

	Notes	Unrestricted funds £000's	Restricted funds £000's	Endowment funds £000's	30 June 2024 total funds £000's	30 June 2023 total funds £000's
Income from:						
Donations and Legacies		6,806	4,100	–	10,906	12,062
Charitable activities		269	2,488	–	2,757	1,673
Other trading activities		482	41	–	523	377
Investments		465	95	23	583	595
Total income	2 (b), 3	8,022	6,724	23	14,769	14,707
Expenditure on:						
Expenditure on raising donations and legacies	7a–7c	3,959	57	–	4,016	3,723
Investment management costs		94	28	13	135	135
Total expenditure on raising funds		4,053	85	13	4,151	3,858
Net incoming resources available for charitable application		3,969	6,639	10	10,618	10,849
Charitable activities:						
Research	7a–7c	2,707	2,498	–	5,205	3,198
Improving care	7a–7c	3,629	562	–	4,191	3,422
Advice and support	7a–7c	4,646	305	–	4,951	4,466
Total expenditure on charitable activities		10,982	3,365	–	14,347	11,086
Total expenditure	7a–7c	15,035	3,450	13	18,498	14,944
Net income/(expenditure) before investment gains		(7,013)	3,274	10	(3,729)	(237)
Gains/(losses) on investments funds	12	1,531	(147)	92	1,476	626
Gains on investment assets	13	915	–	–	915	–
Net income/(expenditure)		(4,567)	3,127	102	(1,338)	389
Transfers between funds		6,107	(6,107)	–	–	–
Net movement in funds		1,540	(2,980)	102	(1,338)	389
Reconciliation of funds:						
Fund balances brought forward at 1 July 2023		5,866	4,191	3,494	13,551	13,162
Funds acquired on merger with Asthma UK						
Fund balances carried forward at 30 June 2024	18	7,406	1,211	3,596	12,213	13,551

25. Post balance sheet events

There are no post balance sheet events.



At Asthma + Lung UK we're **fighting** alongside anyone affected by lung conditions.

Asthma + Lung UK

The White Chapel Building
10 Whitechapel High Street
London SE1 8QS

0300 222 5800

info@asthmaandlung.org.uk

AsthmaAndLung.org.uk



Asthma and Lung UK is a charitable company limited by guarantee with company registration number 01863614, with registered charity number 326730 in England and Wales, SC038415 in Scotland, and 1177 in the Isle of Man.

Asthma and Lung UK

England & Wales - Charity number 326730

Accounts

Annual Report


and Financial Statements

2023-24



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**Asthma + Lung UK is
the lung health charity
fighting for everyone's
right to breathe.**

Niah, Birmingham

“I’m more aware of the impact that traffic fumes have on my asthma now that I’m at secondary school. The area where I catch the bus to school is very highly polluted, and I’ve had to take more time off since being at secondary school. When my asthma’s bad, I can’t even walk up the stairs without being out of breath.”



Our vision

is a world where everyone has healthy lungs.



Our mission

is to drive the transformation of lung health.



Our support

helps people who struggle to breathe manage their lung conditions and live well.



Our research

finds new ways to prevent, treat and cure lung conditions.



Our campaigns

help make vital, lasting changes.

Our

Values

1. **We** have courage.

2. **We** always push for better.

3. **We** empower our people to be their best.

4. **We** work as one.

5. **We** listen and understand.

Foreword

With a new government in power that has stated their commitment to health inequalities, greater prevention and treating patients in the community, there is a real opportunity to get lung conditions on the agenda and secure firm action to improve the lives of patients. Lung disease is the third biggest killer in the UK, after cancer and cardiovascular disease, and we have the worst outcomes in the whole of Europe. Lung conditions are also closely correlated to deprivation and the three conditions with the biggest mortality gap are all respiratory conditions – chronic obstructive pulmonary disease (COPD), lung cancer and asthma.

Every year we take 19,000 calls to our helpline and 7 million visits to our website. These people with lung conditions tell us they feel left behind. 1 in 5 are waiting more than a year for spirometry – the basic diagnostic test for lung conditions. Imagine you were told you had to wait a year for a cancer scan or to have your blood pressure tested? No wonder they feel neglected. This is unacceptable and we will continue to push for greater investment in diagnostics and better access across the country. Our research also shows that only 16% of those who are eligible for life-changing asthma biologics are getting access to them – and in some areas it is as low as 2%. With the first new treatments for COPD being developed for decades, this offers hope for patients - but only if the system is able to get them to the right people in a timely way before it is too late.

Lung conditions affect 1 in 5 people, with around 12 million people in the UK having one in their lifetime. Research and innovation in lung health is growing every year, but only 2.5% of public investment in public health research goes to respiratory. We are pushing hard for this to be increased so new diagnostic tests and treatments can be made available. We are proud to have funded research into the development of new treatments for mesothelioma, bronchiectasis and severe asthma, as well as simpler and more accessible ways of diagnosing lung diseases.

Finally, we are supporting people with lung conditions across the UK to get the advice and the access to services that they need. Our Respiratory Connect programme is being piloted in Dorset to ensure people who are discharged from hospital are followed up to make sure they stay well and out of hospital. Our UPTURN project is supporting people with COPD, especially people of South Asian and Black African and Caribbean communities, to access a support package that works for all. And we have also embedded Respiratory Champions – healthcare professionals who give one day a week of their time – to engage in local system change in their Integrated Care Board (ICB) and ensure the people who have lung conditions receive the services and care they need.



The next year will be one of the most important for lung health, as the NHS 10 year plan is formed and the Tobacco and Vapes Bill seeks to take a whole generation out of tobacco dependency. We will also be campaigning for more ambitious clean air laws to make sure that we prevent lung disease and protect those with lung conditions. We are proud to lead this charity and will need the support of all of our partners to make this the time when people with lung conditions are finally heard and we get the changes we desperately need to improve their lives and the health of the nation.

A handwritten signature in dark ink that reads "Sarah Sleet". The signature is fluid and cursive.

Sarah Sleet

Chief Executive, Asthma + Lung UK

Strategic report

Who we are

Asthma + Lung UK is the UK's leading lung charity, here to support the 12 million people in the UK who will have a lung condition during their lifetime. Whether it's asthma, chronic obstructive pulmonary disease (COPD) or rarer conditions like bronchiectasis and idiopathic pulmonary fibrosis (IPF), we're here to provide expert advice and support through our helpline, support groups and online health advice. We fund groundbreaking research into new treatments, and we campaign for cleaner air and better diagnosis and care so that everyone with a lung condition can live their life well.

Our strategy

For too long, lung health has been sidelined, under-treated and under-resourced. Lung conditions are the third biggest cause of death in the UK and we have the worst death rates in Europe. Hospital admissions for people with lung conditions are rising and are set to continue to rise.

Too many people are forced to breathe in toxic air, which exacerbates their existing lung conditions and causes new conditions to develop. There are also misconceptions that illnesses like asthma, bronchiectasis and COPD are not life-threatening or serious, preventing people from getting timely and effective diagnosis and treatment. And despite all this, only 2.5% of all publicly funded research in the UK is spent on finding cures and treatments for lung conditions.

12 million
people in the UK will have
a **lung condition** during
their lifetime.

Our strategy set out our plans over the five years from 1 July 2022 to tackle this and transform the nation's lung health. We've committed to doing this by:



Offering all people with lung conditions information, advice and ongoing support when they are diagnosed, and ensuring we will be there during crisis when they need us most.



Raising awareness of the seriousness of lung conditions and tackling negative attitudes that have seen lung health neglected and held back progress for so long.



Funding the best science and brightest minds to find new solutions to the biggest challenges in lung prevention, diagnosis, treatment and management – and campaigning for the government to triple its funding for UK lung research.



Campaigning for change to improve the lives of people with lung conditions, including urging government and funders to clean up air pollution, provide better access to care and tackle health inequalities. We will bring together all those affected by lung conditions to make sure their voices are heard by decision makers, and we won't stop until lung health is given the same priority as other conditions.

Through this work, and with the support of governments, funders, other charities and our incredible campaigners, volunteers and supporters, by 2027 our ambition is that:

- Public funding for lung research will have tripled to £150 million each year.
- Hospital admissions linked to spikes in air pollution and the number of early deaths linked to long-term exposure will have reduced.
- Unplanned hospital admissions and A&E visits for asthma and COPD will have dropped by 40% and 30% respectively.
- Public awareness of the seriousness of lung conditions – and signs and symptoms – will have improved.
- New methods will have been developed to diagnose lung conditions with greater accuracy and speed.

Achievements and performance

Fighting to protect lung health

The challenge

Many lung conditions could be avoided by improving the quality of the air we breathe in our communities, homes, workplaces and schools. By reducing exposure to tobacco smoke, air pollution, infection, mould and occupational hazards such as asbestos, as well as encouraging healthy lung behaviours like exercise, we can greatly reduce the chances of people developing lung conditions at all stages of life.

Tackling the scourge of tobacco

Smoking remains the number one preventable cause of death in the UK, leading to some 80,000 premature deaths each year and high rates of disability and ill health. Shockingly, smoking rates among teenagers are currently rising with some 12% of 16-17 year olds smoking, and 30% of pregnant mothers under the age of 18 smoking.

Alongside other health charities, our campaigning work to bring legislative change around access to tobacco and vaping was dramatically successful with cross-party support for a new Tobacco and Vapes Bill.

This Bill will include a law to stop children aged 15 or under from ever legally purchasing tobacco products and help them avoid the misery of lifelong addiction to nicotine, together with measures to tackle youth vaping.

Smoking remains the number one preventable cause of death in the UK, leading to some 80,000 premature deaths each year and high rates of disability and ill health.

Campaigning for clean air

Asthma + Lung UK surveys people living with lung conditions regularly and whenever we ask what triggers an attack or flare-up of lung disease, they identify the impact of breathing polluted air. In our latest survey, 47% of respondents said that air pollution triggered their lung condition. We are campaigning for tighter controls for both vehicle emissions and industrial pollution and will continue to lobby the government for the introduction of a new Clean Air Bill.

During the year we celebrated the expansion of London's Ultra Low Emissions Zone to outer London, bringing the benefits of the scheme to an additional 5 million people living in the nation's capital. From the first six month impact report of the expansion, we have already seen an improvement in vehicle compliance in the target area and improvements to modelled levels of nitrogen dioxide. Additionally, in Scotland, enforcement of Low Emissions Zones in Edinburgh, Dundee and Aberdeen has commenced as planned.



Liz, Perthshire

“There are wood burning stoves in houses nearby. Every time they are on and the smoke pollutants fill the air, my bronchiectasis flares up and I begin to wheeze and cough. It upsets me as it reduces what I can do, and I can’t change that I have bronchiectasis – I can only try to prevent it getting worse.”

Fighting for earlier diagnosis

The challenge

People who have difficulty breathing often wait years for a formal diagnosis, or never receive one at all. In part, this is because society doesn't always take breathlessness seriously or consider lung problems as worthy of attention as other diseases. Ill-informed public attitudes can mean many people live with debilitating symptoms for years before they seek help. Official statistics on diagnostic waiting times are opaque and not consistently gathered across the health service. We regularly survey people with lung conditions and have found that on average it takes three years and 10 months to get a new accurate asthma diagnosis. The figures are even worse for COPD, with an average diagnosis wait of four years and 10 months.

Transforming Respiratory Diagnostics

In November 2023, in conjunction with LifeArc, Asthma + Lung UK held a workshop at the Royal Society in London. This brought together a diverse group of around 100 people including clinicians, academics, innovators and people living with lung conditions. Felicity Payne, who lives with COPD, gave an account of the impact to her life of delays in diagnosis.

→ Felicity's story

"I got a really bad lung infection when I was about 59. It wasn't just one lung infection – I had another two within that year. So I went to see my GP and she asked me if I smoked, and I said no I don't. And she listened to my chest, and she said there's no crackle, you're fine – everybody's got a cough you'll get better in summer, which I didn't think was very helpful.

"When I got the next infection, I was sent to the local hospital – and they ruled out cancer straight away. But it took another nine months before I got a diagnosis with COPD.

"The whole thing of diagnosis was awful – because you're so ill and you just couldn't get help. It was not a great time. In the future, I'd really like to see early diagnosis for people. At the moment, a lot of people are waiting for a diagnosis. The longer you leave it, the more likely you are to get your lungs more and more damaged."

The workshop resulted in a report, ***Transforming Respiratory Diagnostics: The way forward, and an action plan for the development of new tools and approaches to improve diagnosis for lung health:***

- a lung health indicator
- making diagnostic tools accessible close to home such as in GPs' surgeries and community pharmacies
- stratification tools to guide informed treatment decisions
- monitoring tools to detect and prevent exacerbations.

Asthma + Lung UK will continue to work with our partner charities to deliver the new diagnostic approaches and monitor their impact.

Helping people contacting our helpline to get a diagnosis

We support people contacting our helpline with undiagnosed lung conditions by coaching them in the best language to describe their symptoms and helping them build the courage to advocate for their needs. During the year from 1 July 2023 to 30 June 2024 our helpline service supported 1,500 people contacting us to seek a diagnosis.

Fighting for everyone with a lung condition to live well

The challenge

Too many people living with lung conditions have too few treatment options and are left to navigate the health system on their own, missing out on support they desperately need. It is wrong that people lose years of their life battling with lung conditions when they could have been living well.

We spoke to Amy, who was diagnosed as a university student with tuberculosis, an infectious lung disease. It took nearly 18 months for her to get a proper diagnosis and her story illustrates how living with a lung condition affected every part of her life. She speaks for the estimated 12 million people living in the UK with a lung condition.

→ Amy's story

"When I had tuberculosis, I felt like I was living under a big dark cloud."

Amy was studying at university when she first developed a dry, itchy cough – the first of many symptoms over a period of nine months. She visited her GP several times and was prescribed antibiotics.

"I had night sweats, felt constantly tired, and was losing weight rapidly. I also had a very noticeable cough. After several courses of antibiotics and trips to the GP, I was eventually referred to hospital where they diagnosed me with tuberculosis (TB)."

By the time Amy was diagnosed, she weighed five and a half stone, and one of her lungs had collapsed. All of her friends and family were really worried about her.

"Once I started treatment, my symptoms improved. I was able to walk short distances but still had various setbacks. I had to take a break from university, which was hard. In total, I've had three breaks from university, which meant it took me six years to finish my degree."

"While most people recover fully from TB with antibiotics, in rare cases where TB is drug-resistant you may have a transplant. I had my left lung removed in 2017, this completely changed things for me. I haven't had any hospital admissions and have had less trips to accident and emergency."

"Looking back on it now, I feel like I lost some years of my life to this disease. It really affected my mental health, and I was diagnosed with depression and anxiety. It's always in the back of my mind that I may be diagnosed with TB again."

"I feel like there is a lot of stigma associated with TB, especially about who the condition affects. During my treatment, I spoke to TB Alert and I was able to get involved with volunteering and advocacy work. I am committed to working with healthcare professionals and others with the condition to raise awareness of common symptoms."



Amy, London

“While most people recover fully from TB with antibiotics, in rare cases where TB is drug-resistant you may have a transplant. I had my left lung removed in 2017, this completely changed things for me. I haven’t had any hospital admissions and have had less trips to accident and emergency.”

Health advice

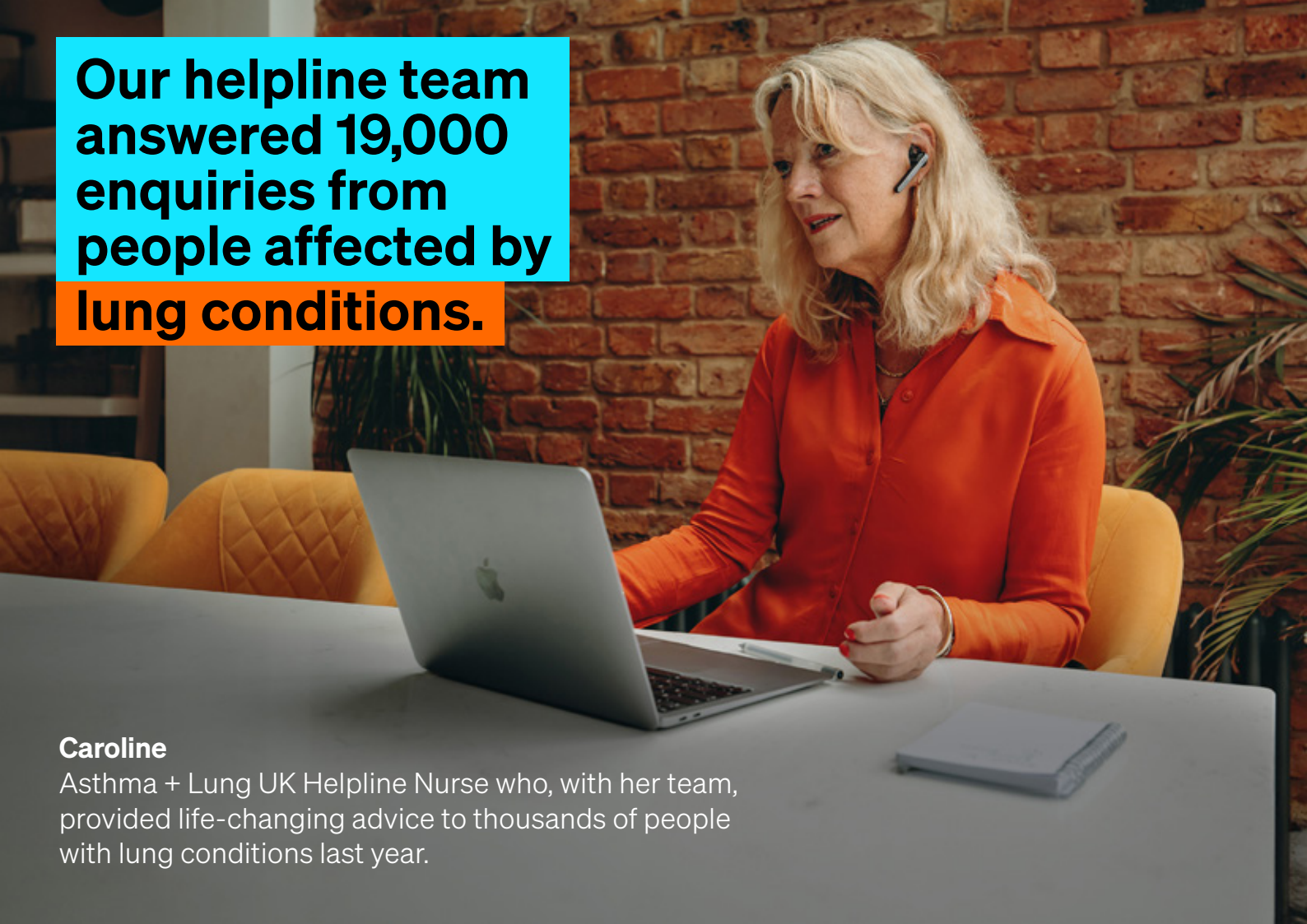
Asthma + Lung UK helps to support people living with lung conditions and empower them to manage their condition. We do this through our online health advice, including our downloadable self-management plans for asthma and COPD. These plans are available in eight different languages and in an Easy Read format, which makes the information easier to understand. During the year to 30 June 2024, the health pages on the website attracted 7.3 million hits and a total of more than 320,000 COPD and asthma self-management plans were downloaded.

Seasonal campaigns

There are key periods each year that trigger exacerbations for people living with lung conditions. Our campaigns use social media, email and press opportunities to help raise awareness of our seasonal health advice so that people can manage their condition better to stay out of hospital. In 2023-24, our flu, winter health and pollen campaigns were seen by more than 800,000 people.

Helpline

Our helpline remains a vital resource and during the year we took 19,000 enquiries. Many of the people contacting the helpline turn to us during periods of great distress. Our trained advisors listen and provide comfort to callers and, if needed, alert them that they need to seek emergency care. During the year to 30 June 2024, we advised callers to seek urgent medical attention on 220 occasions, and on 14 occasions advised them to call the emergency services directly, providing a life-saving intervention.



Our helpline team answered 19,000 enquiries from people affected by lung conditions.

Caroline

Asthma + Lung UK Helpline Nurse who, with her team, provided life-changing advice to thousands of people with lung conditions last year.

Support groups

Our online support groups range from Motivational Mondays (singing and vocal exercises tailored for lung health) to Feel Good Fridays (Zumba dance classes for every level of fitness) and condition-specific groups for people living with bronchiectasis, COPD and long COVID. All of our support groups, whether activity or information focussed, centre on helping people feel more confident and able to manage their breathlessness. We had over 2,000 people register for our online groups between 2023 and 2024. During the year, we launched the first of our new series of webinars, led by Professor James Chalmers, on bronchiectasis. This was hugely successful, reaching over 350 people and generating some great conversations about self-management of bronchiectasis.

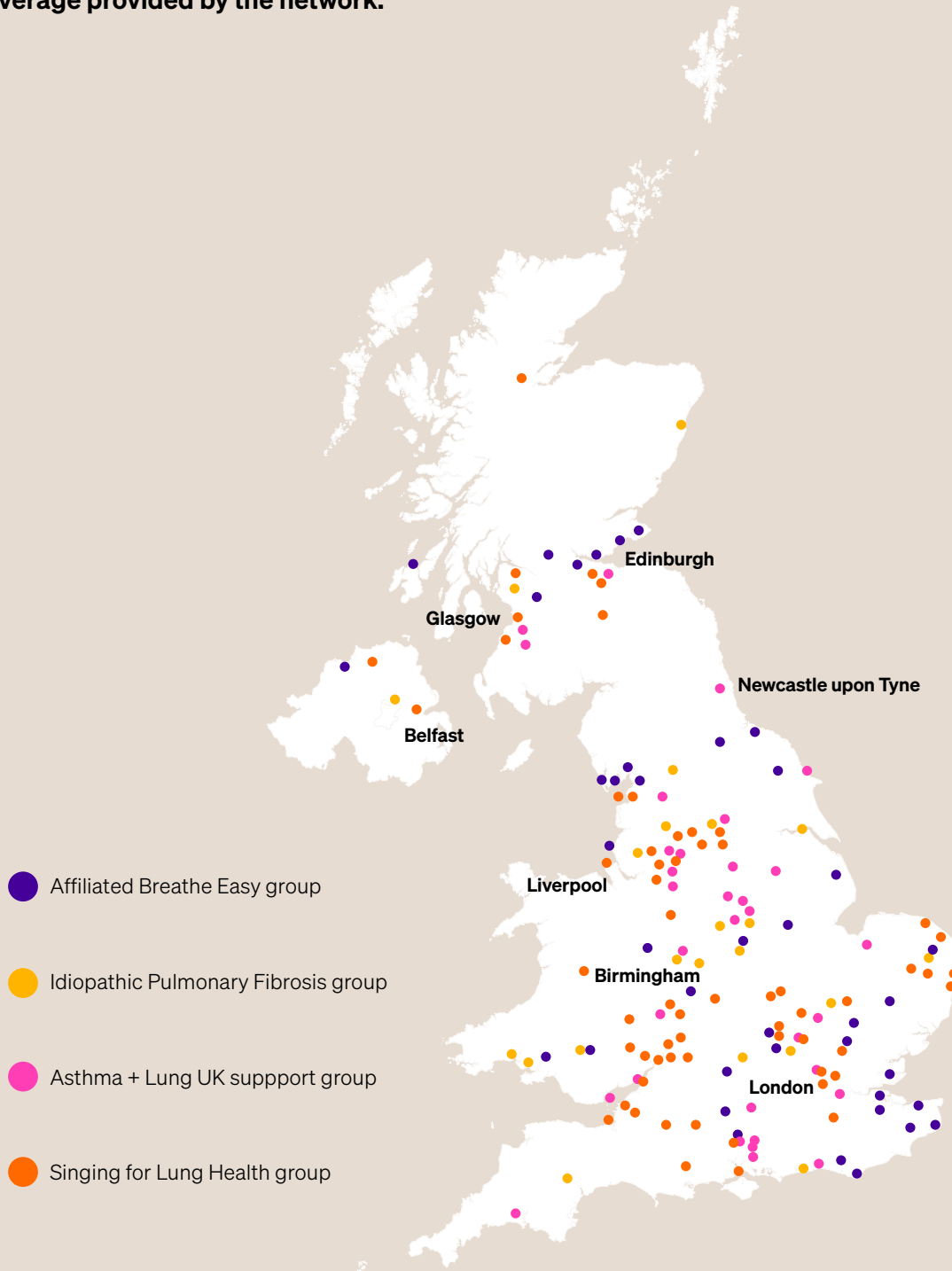
Our Parent Carer Network has been thriving online and is now looking to extend to face to face, with three local support groups on the horizon.

I really look forward to Feel Good Fridays every week, it's often the highlight of my week as I am virtually housebound due to my health conditions. Suffering from autoimmune conditions which affect all my joints and muscles as well as my lungs, the sessions do me so much good, I get extremely stiff due to having to sit up all night and I feel so much more alive afterwards and I can feel my muscles stretching and relaxing in a way it is very difficult for me to do on my own.

Chris is so full of enthusiasm it's hard not to get hooked! I've played a bit of harmonica from my teens (now aged 65) but am now determined to take it much further, despite my IPF. Playing harmonica over the last six weeks has helped me to focus on diaphragm breathing and Chris has given me the confidence to believe that I can really learn to play the blues well.



Our network of face-to-face support groups provides much needed social interaction for people living with lung conditions. Our groups aim to challenge the stigma of having a lung condition. During the year we supported 100 support groups and 70 singing for lung health groups, run by 200 volunteers, across the UK from Bonar Bridge in the north of Scotland to Plymouth in Cornwall. The map below shows the geographic coverage provided by the network.



Improving consistency in standards of care for lung health patients

In the spring of 2024, Asthma + Lung UK developed a new pilot project to work with the integrated care board (ICB) network to identify and implement best practice in respiratory care. We set up bursaries for six healthcare professionals to act as champions attached to six ICBs. We have selected people in a variety of clinical roles and a mix of ICBs, covering both urban and rural areas. After assessing the challenges faced in their area, the champions will work with key stakeholders to identify actions to improve outcomes for patients. This pilot project is at an early stage, its achievement of goals will be carefully monitored and we expect to report on its impact in the next financial period.

Fighting for life-changing research and innovation

The challenge

There has been little improvement in how we diagnose, treat, and manage lung conditions in the last 20 years. This poor progress leaves the UK falling way behind most other European countries. Research and innovation hold a vital key to changing and saving lives. But there has been insufficient attention or investment in delivering the step change that is now urgently overdue.

The economic cost of lung disease in the UK

In the summer of 2023, Asthma + Lung UK commissioned PwC to report on the true cost of lung health to the UK economy. The jointly branded report, *Investing in Breath*, was published in September 2023. PwC estimated that direct costs of lung health to the NHS were £9.6 billion in 2019 (the most recent year where statistics were available). Using tried and tested measures such as disability-adjusted life years, PwC were able to estimate the full cost to the economy as a staggering £188 billion per year.

Increased public funding of respiratory research

One of the findings from our *Investing in Breath* report is that by increasing the total investment in respiratory research to £140 million per year, this could contribute £850 million to the economy by 2030. One of Asthma + Lung UK's key priorities is to triple total spending on lung health research. UK Clinical Research Collaboration (UKCRC) publish data every four years. Their report on health data for 2018 showed that public funding for lung health has lagged behind other major conditions with just £47 million per year being spent in respiratory research – 1.8% of the total invested each year in medical research. Their next report for health data in 2022 showed an improvement with £70.5 million being spent on respiratory conditions, but this still equates to just 2.5% of the total public investment in medical research, while we believe 6% is the minimum equitable level.

**We awarded
research
grants
totalling
£2.9 million.**

Asthma + Lung UK researcher Zhara from Imperial College London at the forefront of lung health research.



Overview of our research grant programme and awards in 2023-24

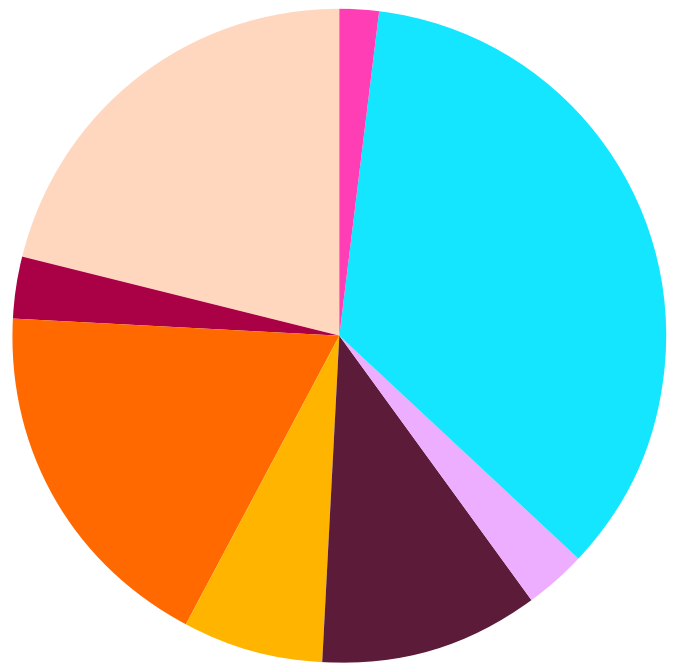
Asthma + Lung UK is, after the Medical Research Council and the Department of Health and Social Care, the third largest funder of respiratory research in the UK. We are a long-term funder and at any one time we fund multiple research projects. On 30 June 2024, we were funding a total of 55 different research projects, with an ongoing commitment to pay some £11.3 million, focusing on different aspects of diagnosis, prevention and treatment to improve the lives of people living with lung conditions. The charts below show the focus of research and the lung conditions being researched.

Number of active grants by research focus



- Prevention – 3 grants (6%)
- Diagnosis – 26 grants (47%)
- New treatments – 13 grants (24%)
- Management – 9 grants (16%)
- Other – 4 grants (7%)

Number of active grants by research area



- Asthma – 20 grants (35%)
- Bronchiectasis – 2 grants (3%)
- COPD – 6 grants (11%)
- Infections – 4 grants (7%)
- Interstitial lung disease – 10 grants (18%)
- Preschool wheeze – 2 grants (3%)
- Mesothelioma – 12 grants (21%)
- Multi-disease – 1 grant (2%)

During 2023-24, we awarded research grants committing a further £2.9 million. These awards were focused on three themes: earlier diagnosis of mesothelioma (four awards with a commitment of £970,000), career development grants to help build the UK as a powerhouse of lung research (15 awards with a commitment of £1.4 million), and a new scheme of bursaries for PhD students to encourage future research (five awards with a commitment of £130,000).

Leveraging the power of Asthma + Lung UK research funding

Becoming an Asthma + Lung UK funded researcher often opens doors for researchers to get follow-on funding from other institutions. As part of the final report of every research grant, we ask grant-holders to quantify follow-on funding directly associated and connected to the work we supported. We have analysed our research portfolio and found that our £7.6 million investment into research projects that completed during the last three years attracted £191 million of follow-on funding. In other words: these grants have attracted 25 times our initial investment in further research funding.

Developing the best and brightest minds

In March 2023, the government unveiled its plans to make the UK a science and research superpower. Asthma + Lung UK has played a part in promoting research projects led by scientists and academics just starting out, then staying in touch and providing further support as their career develops. One such researcher is Professor James Chalmers.

➔ Professor James Chalmers

Asthma + Lung UK has closely supported the career of Professor James Chalmers, now a world-leading bronchiectasis researcher. We first supported Professor Chalmers when he was working on his PhD by awarding him a £750 travel grant so he could attend a prestigious international respiratory research conference in 2011. This travel grant gave him an opportunity to present his work and network with other rising stars and established leaders in the field.



In 2017, he was awarded the position of GSK/British Lung Foundation Chair in Respiratory Research, supported with a grant of £211,000 and promoted to Professor in recognition of the importance and quality of his research. His current research investigates how to create ‘lungprints’ – like a unique fingerprint, but of the lungs of people affected by bronchiectasis, in the hopes of using these individual lungprints to match the right treatment to the right person at the right time.

In his career, he has published more than 350 peer-reviewed manuscripts, chaired several international guideline panels, and been recognised with numerous prestigious awards including the Mid-Career Peer Recognition Award from the American Thoracic Society.

Professor Chalmers says: “Since I began working in bronchiectasis, I’ve done everything I possibly can to raise the profile of the disease and to bring new investigators and scientists into the field. It’s so exciting to see the progress we’re achieving and it’s only thanks to the donations of Asthma + Lung UK supporters.”

Working with other organisations to improve lung health resources

During 2023-24, we became a founding charity member of Our Future Health, the UK's largest ever health research initiative. Our Future Health aims to recruit 5 million people from across the UK, who will provide biological specimens and lifestyle information to create a world-leading research resource. Asthma + Lung UK contribute £100,000 per year to the Our Future Health project, which enables researchers funded by the charity to access the biobank at reduced costs. Our presence and involvement in the charity steering committee allows us to influence the project to ensure that the interests of people living with lung conditions are best served.

Being an outstanding organisation

Our value-led culture

Asthma + Lung UK adopted its values at the time of the launch of the new combined brand in March 2022. Since that date, much effort has been applied to embedding the values in the organisation, with a succession of leadership seminars for all employees and fortnightly all-staff briefings that keep everyone in the charity in touch.

Our working environment

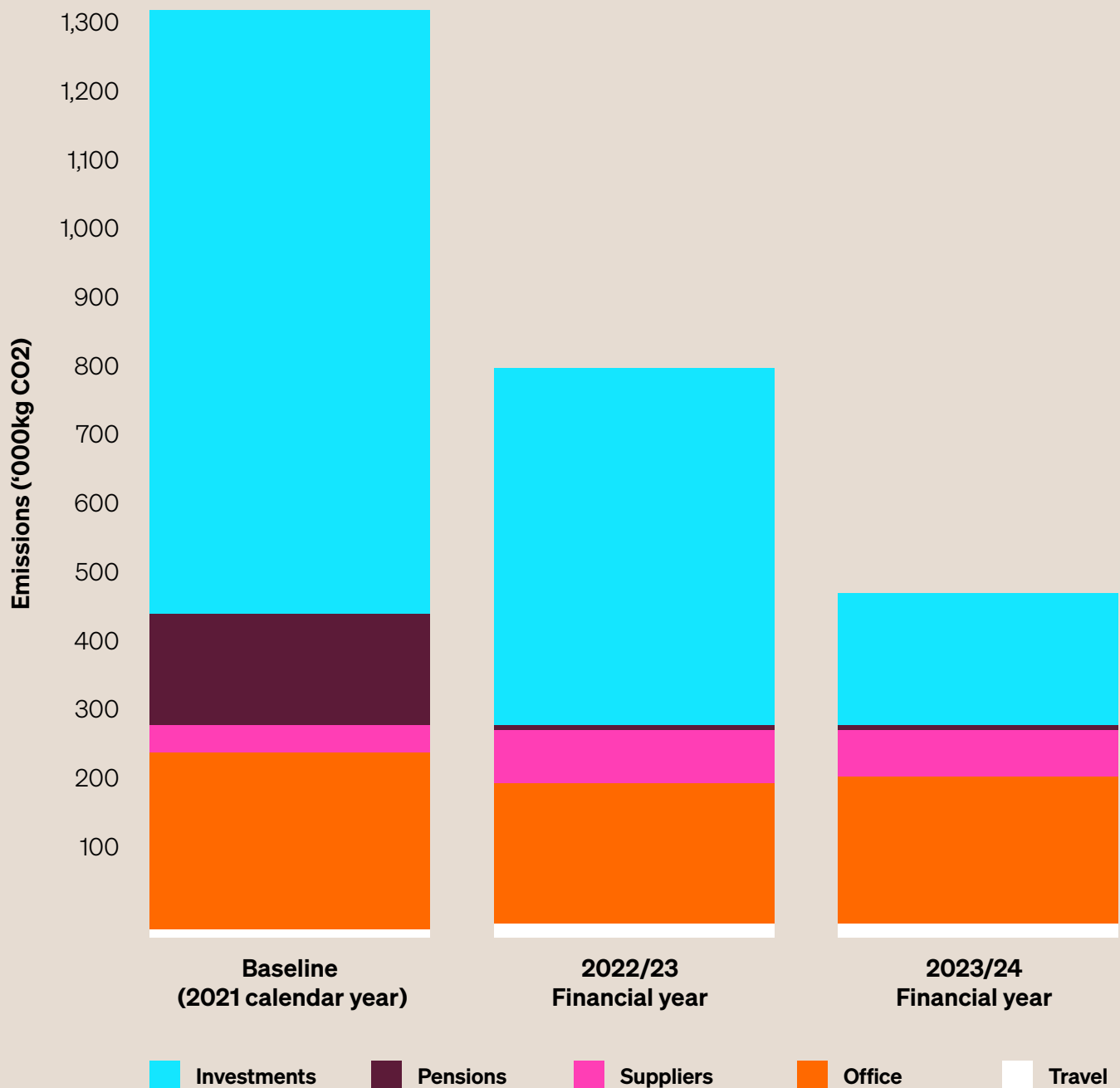
In early 2024, we were able to take advantage of a break clause in our lease for our office in Mansell Street in London to move to a better office environment at lower cost in the White Chapel Building in Whitechapel, East London. In a further development, an office held on a near-freehold basis on Goswell Road on the City fringes, which had been the former head office of the British Lung Foundation, was identified as being surplus to requirement. The property was marketed and an offer of £2.5 million accepted on 28 June 2024, shortly before the year end. The sale completed in August 2024 at the accepted offer price.

Our commitment to environmental targets

As an organisation that campaigns for lower emissions, Asthma + Lung UK set itself an ambitious target of reducing its own carbon emissions by 50% from the baseline which we measured in 2021. We applied reported emissions where available and government approved estimations where we couldn't get independent verification of the carbon footprint. We have rerun the analysis as at 30 June 2024 to chart our progress towards our target. This shows that in three and a half years we have reduced our carbon footprint by 62% from 1,280 tonnes in 2021 to 480 tonnes in 2024. The graph below shows the changing emissions in different aspects of our business.

Our journey to reducing carbon footprint

January 2021 – June 2024



Our ethical stance on investment and pensions

Much of our carbon reduction has been supported by the adoption in 2022 of an ethical investment policy which excludes investments in companies profiting from tobacco, fossil fuels and other major polluting industries. These ethical standards were also applied to the default stakeholder pension plan offered to employees.

Our volunteers

In June 2024, during the national Volunteers' Week, we held our second volunteer conference bringing together a group of 44 volunteers from across the UK, including both in-person and online attendees. The conference provided an opportunity for attendees to learn more about the eight different volunteering roles available across the organisation, including the organisation's newly developed ambassadorial and administrative flexible volunteering opportunities.



Participants at the Asthma + Lung UK Volunteer Conference which took place in May 2024.

Prize-winning volunteers

→ Teresa Burgoyne

Teresa has made a significant impact through her leadership of the Nottingham West Support Group, part of the larger Nottingham network. This flagship group actively collaborates with others in the region to advocate for better lung health services and support for people with lung conditions.

As the main contact for the Nottingham West group, Teresa has been instrumental in fostering strong relationships with local healthcare professionals and working closely with Asthma + Lung UK to push for much-needed support for those affected by lung conditions. Beyond running the group, she is a passionate advocate for lung health in her community, spearheading initiatives to raise awareness.

Teresa's group partnered with local healthcare professionals to host a lung health awareness event at a local supermarket. The event was a resounding success, with healthcare providers conducting 27 breathing tests and referring 10 people to their GPs for further evaluations. This initiative not only raised awareness of lung conditions but also provided immediate health support for those in need.



Rebecca Boyle

Rebecca received further recognition in the local press for her efforts in raising awareness of lung conditions. A regular attendee of the charity's Patient Panel, Rebecca Boyle has significantly increased public awareness of key policy issues, furthering the charity's reach and influence.

Notably, she selflessly offered to sell her wedding dress to raise funds for the charity and supported PR efforts in Northern Ireland for World COPD Day, securing vital media coverage.

Rebecca has shared her personal story of losing her father to COPD, raising awareness of the disease and advocating for better support for those affected. She spoke courageously at several high-profile events, including the All-Party Group on Lung Health and the launch of the *Saving Your Breath* report at Stormont. Rebecca's commitment to the cause and her personal experiences have highlighted the urgent need for increased awareness, better diagnosis, and improved care for people living with lung conditions. Her advocacy continues to raise awareness of Asthma + Lung UK and supports its mission to improve lung health outcomes across Northern Ireland.



Our fundraisers

In a tough fundraising environment, we are diversifying our fundraising streams and working with new supporters. We are sincerely grateful to players of People's Postcode Lottery for supporting us this year. An incredible funding award of £500,000 raised by the players and awarded by Postcode Care Trust has helped us to be there for thousands of people affected by breathlessness.

Team Breathe had a strong showing at the 2024 London Marathon in April with more than 500 individual runners raising money for Asthma + Lung UK. It was a great celebration, and our runners raised a total of £1.3 million for people living with lung conditions across the UK - including our top fundraiser who raised an incredible £13,000. Asthma + Lung UK is grateful to every single runner who took part and raised money for us, it is thanks to them that we can continue our vital research and campaigning for lung health.

➔ Electricity Northwest Limited partnership

In October 2023, we launched a new partnership with Electricity Northwest Limited to improve their services for vulnerable customers and to increase sign-ups from people living with a lung condition to the Extra Care Register. We identified the utility sector as a key area of focus for corporate partnerships given the huge scope for collaboration to upskill customer vulnerability teams in order to improve services for people living with a lung condition, in particular during the winter months.



**Over £1 million
raised at the
London Marathon
for people
living with lung
conditions.**

James, one of our Team Breathe runners, taking on the TCS London Marathon.

Taskforce for Lung Health

The Taskforce for Lung Health is a coalition of over 50 members working together to speak with one voice to improve the nation's lung health and outcomes for patients with lung disease. The Taskforce seeks to do this by influencing the government, NHS and other officials in three key policy areas – diagnosis, access to treatments and workforce.

During the last year, the Taskforce for Lung Health has commissioned HSJ Market Intelligence to create a bespoke set of publicly available respiratory data dashboards to help increase transparency and drive improvements in respiratory care. It has also advocated for the RSV vaccine to be rolled out in time for winter 2024, commissioned Digital Clinical Excellence to develop best practice guidance for online SABA inhaler prescribing amid concerns that this might be increasing SABA overuse, and united the sector to produce a principles document to help guide the development of the NHS Screening Committee's protocol for incidental findings for the Targeted Lung Health Checks.

Healthy Air Coalition

The Healthy Air Coalition is a coalition of 30 leading health, environment and transport organisations with the shared vision of a UK free from toxic air. The coalition works to influence the UK Government to act with ambition to realise the benefits of clean air for people's health, the NHS and the economy.

Over the last year, the Healthy Air Coalition has united and grown the clean air campaigning movement, produced a set of shared policy calls to ensure alignment across the clean air movement, advised the Labour Party in opposition on air pollution policy, and met with government ministers and MPs. The coalition has supported the clean air movement to successfully navigate challenging issues in our external environment, including the expansion of London's Ultra Low Emission Zone. The Healthy Air Coalition has used its convening role to bring together those fighting for clean air at all levels of seniority to discuss learnings and policy solutions, through reception events and member Chief Executive roundtables.



Our plans for 2025

On 4 July 2024, four days after the Asthma + Lung UK year end, the country went to the polls and voted in a new government. This gives Asthma + Lung UK an opportunity to lay out its agenda to a new government.

In developing our new business plan, we established a new programme approach to our work to ensure clearer alignment across our teams in delivering impact.

Prevention

Diagnosis

**Treatment
and support**

Research, data and insight

Awareness and empathy

Organisational capacity

Fighting for lung health

Our ambition is for no one to develop a lung condition that could have been prevented. We will:

Keep up the pressure to create a smokefree generation in the UK

Asthma + Lung UK wants to see an end to smoking which causes so much ill health. We will hold the government to account on the introduction of more controls on smoking. At the same time, we want to see more controls around vaping, which should only be used as a smoking cessation product.

Campaign for clean air

Asthma + Lung UK will continue to work with a broad coalition of health and environmental partners to support the clean air agenda. We will be urging policymakers in Westminster, the devolved governments and regional local authorities to commit to World Health Organisation targets for air pollution.

Work in schools in the 2024-25 academic year

Asthma + Lung UK works with schools on our Clean Air Champions project. Following the success of an air pollution monitoring pilot in London, which ran from September 2022 – March 2023, we have extended our schools work across the UK. Over the 2024-25 academic year, we will work with 200 schools. As well as offering free air pollution monitors, schools will also receive free curriculum-based learning resources, enabling students to expand their knowledge on air pollution and lung health. We are sincerely grateful to the Bupa Foundation for supporting this initiative.



Asthma + Lung UK clean air campaigners on their way to No 10 Downing Street.

Fighting for earlier diagnosis

We need to speed up diagnosis to keep people out of hospital and stop permanent damage to their lungs. We will:

1 Lobby

the new government for a commitment to quicker lung condition diagnosis.

We will lobby

for a firm commitment to a six-week maximum wait for diagnostic tests, with an aim of halving waiting lists by 2028.

2 Work

with funders and other charities to transform lung health diagnostics.

We will build

support and funding for a new diagnostics research centre.

3 Support

those in search of a diagnosis.

We will provide

advice and support to those with symptoms but still waiting for a diagnosis through our helpline and health advice web pages.



Fighting for better treatment

We want no one who has difficulty breathing to look back and think that with better care they could have had a better life. In 2024-25, we will:

Support respiratory excellence within the NHS

Asthma + Lung UK will continue to develop its Healthcare Professionals Hub to provide resources to NHS clinicians and help them to support people living with lung conditions. We aim to expand our work with Respiratory Champions and hope to roll out our programme of working with GPs and hospitals at points of crisis for newly diagnosed patients and those leaving hospital after a flare-up.

Improve access to pulmonary rehabilitation

Pulmonary rehabilitation includes a series of tailored lung health exercises to improve the health of people living with lung conditions. It is a simple, cost-effective and proven way of improving people's lives and also for taking pressure off the NHS. Yet access is patchy and in areas of high deprivation the service is often not available. Asthma + Lung UK will work with the network of healthcare providers and community leaders to drive up access and participation. We are a partner in the UPTURN project, a five-year study spearheaded by Addenbrookes Hospital, looking at the barriers to uptake of pulmonary rehabilitation by patients with COPD from under-represented groups.

Run impactful campaigns for winter health advice, pollen and allergens

We will work with healthcare professionals to deliver two major campaigns drawing together every element of our work to reduce hospitalisation during the winter and peak hay fever seasons. We will measure the reach and the impact of our campaigns in reducing pressure on the NHS.



We want there to be no stone unturned when it comes to finding a **treatment, cure or better way to diagnose and manage lung conditions. In 2024-25 we will:**

1 Build

the foundations for research.

We will develop agreed priorities for research on breathlessness which reflect patient priorities. We will also work with the Lung Research and Innovation Group to identify the biggest challenges on the respiratory agenda to make a compelling case for investment into a new Centre for Breathlessness Research and beyond.

2 Invest

in improving respiratory health data.

We will fund research projects on the theme of improving data and will continue to work closely with other charities and health organisations, including Our Future Health and Health Data Research UK, to make high quality data available for researchers.

3 Put

patients at the heart of research.

We will grow our Respiratory Insights Service to offer patient perspectives to innovators on self-management products and develop a support for recruitment of patients into clinical trials.

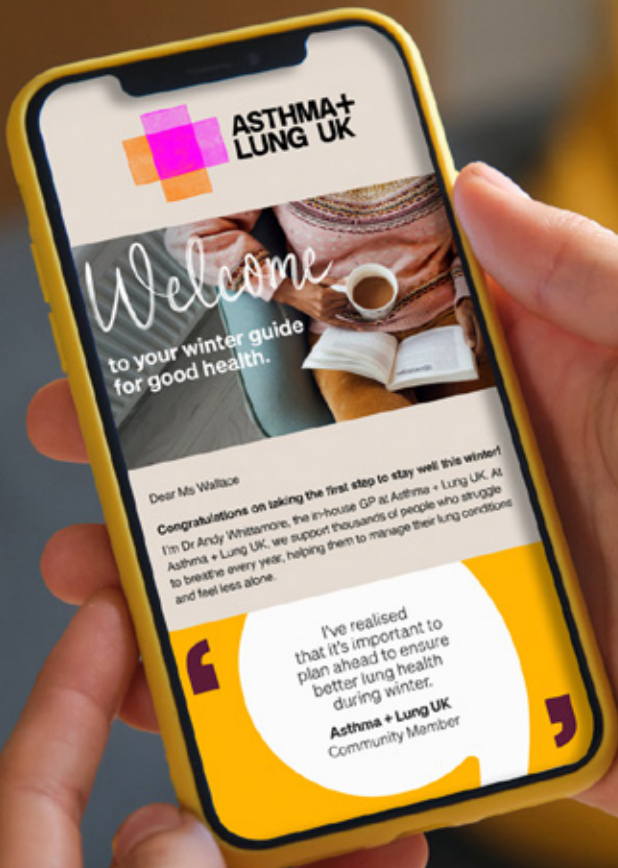
Awareness and empathy

We need to overcome the ignorance and stigma surrounding lung disease. We will build integrated campaigns which increase awareness and understanding during critical times such as the cold winter months and the summer pollen season.

Being an outstanding organisation

During 2024-25 we will accelerate the delivery of our strategy by implementing a theory of change model, reviewing and enhancing our data capture and utilisation and by updating our finance system.

We will set high expectations for fundraised income, including strategies for working with major corporate partners on multi-year funding propositions, working with our funders to ensure that their journey with us is as beneficial as possible and seeking a high-profile charity of the year opportunity.





Fiona and Ciara, London

“Having my daughter, Ciara, was the wake-up call I needed to get on top of my asthma. Ciara and I are joined at the hip. When I was hospitalised in 2015 with another asthma attack, it was quite traumatic for her. She didn’t really understand what was going on or why I wasn’t at home. I don’t want her to see me in intensive care, rigged up to monitors with tubes up my nose and needles in my arms.”

Financial review

The Trustees present their report and audited financial statements for the year ended 30 June 2024. The financial statements on pages 59 to 61 are prepared in accordance with the Charities SORP and FRS102, and comply with the current statutory requirements.

Overview

During the year to 30 June 2024 we raised £14.8 million (2022-23: £14.7 million).

During the year we spent £18.5 million (2022-23: £14.9 million).

Summary of our financial performance in the year to 30 June 2024.

	2023-24 £'000	2022-23 £'000
Total income	14,769	14,707
Total expenditure	18,498	14,944
Net spend before investment gains	(3,729)	(237)
Gain/(Loss) in value of investments	1,476	626
Gain on investment asset	915	
Net movement in funds	(1,338)	389

Overall, the net movement in funds was a decrease in total reserves of £1.3 million (2022-23: increase of £0.4 million).

Income was in line with the previous year while expenditure was higher through a combination of higher costs caused by the continuing cost of living crisis and the war in Ukraine, a 6% salary increase for our staff, investment in data and insights and one off expenditure on the office move.

How we raise our money

Asthma + Lung UK relies almost exclusively on voluntary donations and grants from individuals, trusts, corporates, and statutory bodies. The fundraising environment across all these sectors remains challenging. The breakdown of this income is shown in Note 3 to the accounts on page 66. Unrestricted income grew to £8 million from £6.6 million, whilst restricted income decreased to £6.7 million, down from £8.0 million in the previous year.

Principal fundraising activities

Income from legacies and donations:

Asthma + Lung UK is grateful for the money received from legacies and the voluntary donations made by individuals and businesses (including pharmaceutical companies). During the year to 30 June 2024 the charity received donations and legacies totalling £10.9 million (2022-23: £12.1 million).

During the year to 30 June 2024 we received a total of £4.9 million from legacies (2022-23: £5.0 million). As at 30 June 2024 we had received notification of £7.2 million future legacy income (2022-23: £5.4 million). There remain delays to the processing of probate and the subsequent distribution of funds as a result of the backlog experienced by His Majesty's Courts and Tribunals Service following the pandemic. The backlog is, however, reducing although it still remains difficult to predict the time from notification to payment.

During the year to 30 June 2024 we received donations totalling £3.8 million (2022-23: £4.8 million) from individual and corporate donors. Despite the reduction in inflation rates during the year, many of our regular givers are still facing pressure to their personal budgets leading to a reduction of £0.5 million in the amount donated. Businesses have also been struggling with higher prices and donations from corporate partners fell by £0.6 million. We are planning to invest in developing our cohort of regular givers in 2024-25 and are reviewing our in memory giving process to rebuild this income stream for future years.

Donations from supporters through community activities and events, which includes sporting challenges such as the London Marathon and the Great North Run, amounted to £1.7 million (2022-23: £1.5 million). These contributions come from a huge variety of activities undertaken and supported by thousands of people throughout the year and represent a significant achievement by individuals on behalf of the charity, many of whom are living with a lung condition themselves. We are very grateful for their efforts.

Asthma + Lung UK benefited from gifts in kind income of £0.4 million (2022-23: £0.5 million). These donations reflect the value of the Google grant programme that supports our online marketing and generous discounts on the work done for the move to our new head office.

Income from charitable activities

During the year to 30 June 2024 Asthma + Lung UK received income of £2.8 million from donations connected to our charitable activity (2022-23: £1.7 million). This includes grant income from trusts and foundations, aligned to our objectives, and from our patient insights work, a new income stream that we have developed to provide researchers with cohorts of people living with lung conditions.

Grant income includes grants received from charitable foundations connected to pharmaceutical companies. These awards are made in strict compliance to the Association of British Pharmaceutical Industry (ABPI) code of conduct, that specifically forbids any benefit from these grants for the pharmaceutical company behind the foundation. During the year to 30 June 2024 Asthma + Lung UK received funding of £0.7 million from these foundations (2022-23: £0.3 million). In line with the ABPI Code of Conduct our financial transactions with pharmaceutical industries are disclosed in the table below.

ABPI Pharma	Purpose	22/23 Amount	23/24 Amount
AstraZeneca UK Ltd	MART Action Plan 2023-24		67,000.00
AstraZeneca UK Ltd	Respiratory Champions Programme		110,000.00
AstraZeneca UK Ltd	Taskforce for Lung Health 2024		55,000.00
AstraZeneca UK Ltd	Taskforce for Lung Health Year 6	50,000.00	
Chiesi Ltd	BRAND FEE - Chiesi COPD Hubs		
Chiesi Ltd	Chiesi COPD Hubs		35,756.00
Chiesi Ltd	Respiratory Voices Network Advert	100.00	
Chiesi Ltd	Taskforce for Lung Health 2024		55,000.00
Chiesi Ltd	Taskforce for Lung Health Year 6	50,000.00	
CSL Seqirus	Flu Vaccination Awareness Campaign	10,000.00	20,000.00
CSL Seqirus	Taskforce for Lung Health Year 5	40,000.00	
GSK	GSK OCS Survey		7,776.00
GSK	Taskforce for Lung Health 2024		55,000.00
GSK	Taskforce for Lung Health Year 6	50,000.00	
Pfizer Ltd	Taskforce for Lung Health		60,000.00
Pfizer Ltd	Winter Lung Health Campaign	25,000.00	
Sanofi	COPD Roadshow - A+LUK Brand Fee		90,000.00
Sanofi	Flu Vaccination	25,000.00	
Sanofi	Taskforce for Lung Health Year 2024		55,000.00
Sanofi	Taskforce for Lung Health Year 6	25,000.00	
Takeda UK Ltd	Taskforce for Lung Health Year 6	10,000.00	
Total		285,100.00	706,532.00

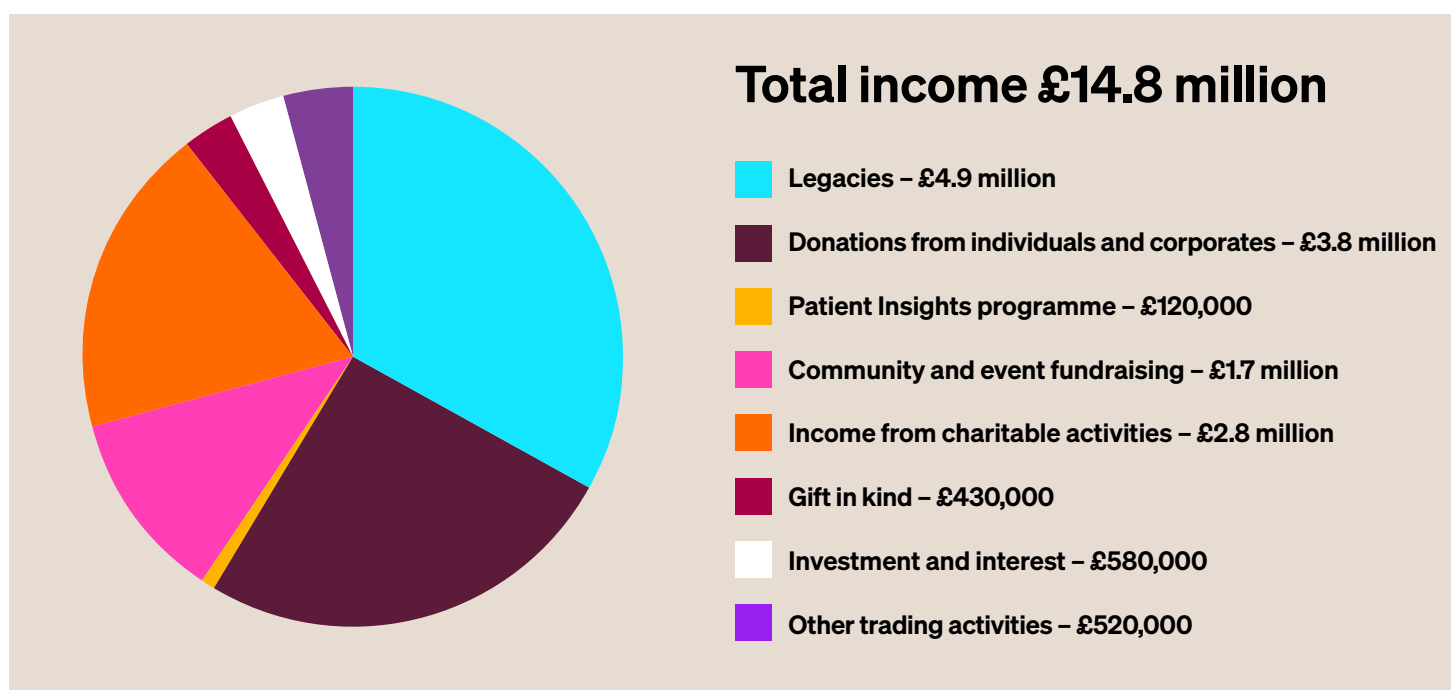
During the year to 30 June 2024 we received income of £0.1 million from our patient insights programme (2022-23: £0.1 million). This work allows researchers to test new products and interventions with people living with lung conditions, ensuring that the patient voice is heard on new innovations in the field of lung health and that research remains grounded.

Income from trading activities

During the year to 30 June 2024 Asthma + Lung UK received trading income of £0.5 million (2022-23: £0.4 million). This relates to corporate sponsorship, sales of lottery tickets and sales merchandise through our online shop. Trading activities are managed through ALUK Trading Limited (Company number 02341027). Asthma + Lung UK wholly own the share capital of the subsidiary. All profits are transferred to the parent charity under the company gift aid scheme. The results of the trading company are consolidated in the accounts, its performance is shown in Note 4 on pages 67-68.

Income on investments and interest on cash deposits

Total income from investments and interest in the year to 30 June 2024 was £0.6 million (2022-23: £0.6 million).



How we spent our money

Total resources expended were £18.5 million (2022-23: £15 million). This increase represents an increase in charitable expenditure of £3.3 million and an increase in the cost of generating funds of £0.3 million. Support costs now include engagement costs, which were previously included in the cost of generating funds, and we have restated the 2022-23 cost in Note 7c to align our prior year comparisons. This movement increases support costs by £1.2 million in the 2022-23 restated accounts and £1.3 million in 2023-24. Notes 5 to 7 on pages 68-70 of this report provide an analysis of our expenditure.

Charitable expenditure

In the year to 30 June 2024 Asthma + Lung UK spent a total of £14.3 million (2022-23: £11.1 million restated), including new grant awards of £3.4 million (2022-23: £1.9 million). The increase in charitable expenditure was driven by extra expenditure on new research grants plus payments made to Our Future Health and Health Research Data UK to fund their work in researching data on lung conditions.

Staff costs increased because of the 6% pay increase across the organisation.

Our charitable spend focussed on three broad programmes of charitable activity:

- Research: research grants and activity related to the administration of the grants
- Improving care: our policy and campaigning work
- Advice and support: patient-facing services, such as our helpline, WhatsApp service and online health advice.

Expenditure on improving care was £4.2 million (2022-23: £3.4 million). This increase was driven by planned increasing campaigning activities and the establishment of a Healthcare Professionals Hub to support NHS staff working in respiratory care.

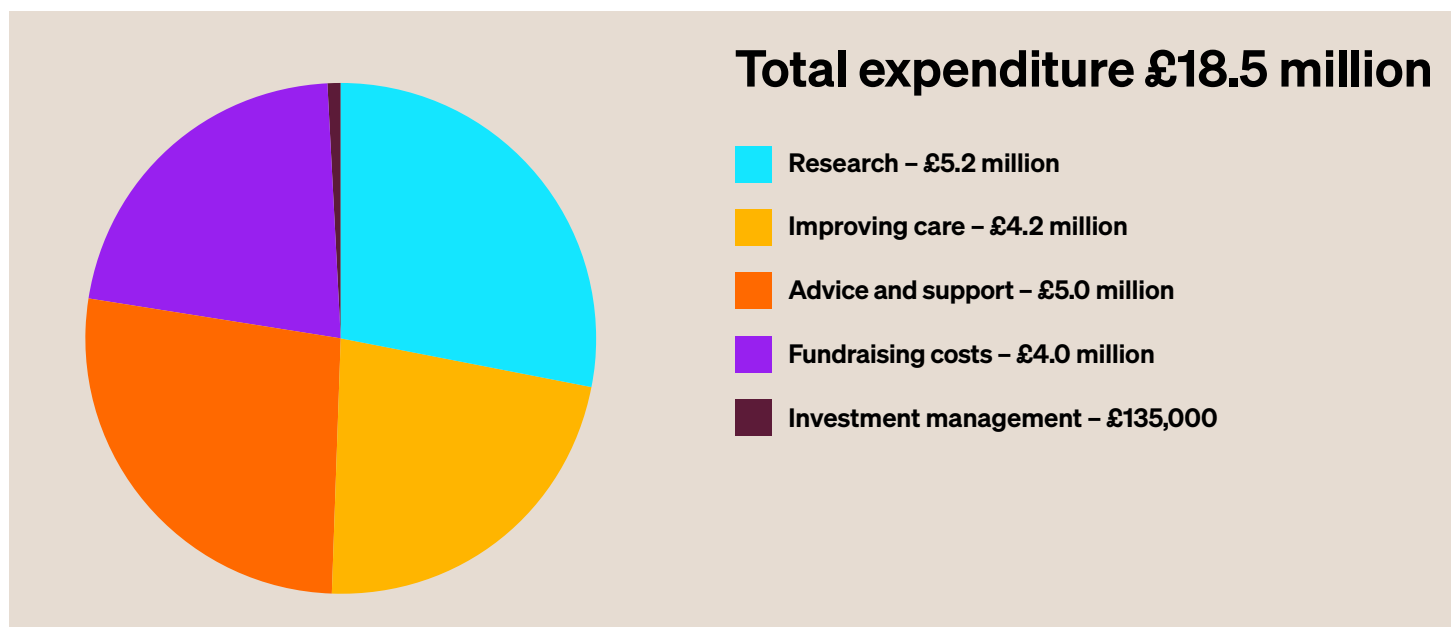
Expenditure on advice and support was £5.0 million (2022-23: £4.5 million). This increase was driven by staff costs and inflationary pressure on print and media products.

Expenditure on improving care was £4.2 million (2022-23: £3.4 million). This increase was driven by planned increasing campaigning activities and the establishment of a Healthcare Professionals Hub to support NHS staff working in respiratory care.

Expenditure on advice and support was £5.0 million (2022-23: £4.5million). This increase was driven by staff costs and inflationary pressure on print and media products.

Costs of generating funds

In the year to 30 June 2024 Asthma + Lung UK spent £4.0 million (2022-23: £3.7 million restated) on generating funds.



Support and governance costs

During the year to 30 June 2024 Asthma + Lung UK incurred support costs of £6.9 million (2022-23: £5.4 million). During the year a new centralised Data and Insight team was formed to help develop robust evaluation and data quality processes. This together with the reclassification of engagement costs, one-off costs incurred during the head office move and the staff salary increase led to an increase of £1.5 million. Support costs include the costs of running the governance, finance, people, IT support, project management and facilities functions, including costs of data and insight and engagement activities. Support costs are allocated on the basis of spend (excluding the value of grants awarded) to the other categories. Details of the allocation are to be found in Note 7 on pages 69-70 to this report.

Balance sheet

The full balance sheet can be found on page 60 of this report and Note 18: Statement of Funds on pages 76-78 provides detail on specific fund types. As at 30 June 2024 total net assets stood at £12.2 million (30 June 2023: £13.6 million).

Endowments and restricted funds stood at £4.8 million (30 June 2023: £7.7 million). This difference is as a result of higher expenditure driving a larger reallocation of restricted income to support all lung conditions. Further explanations are in the reserves section below.

Designated and unrestricted funds stood at £7.4 million (30 June 2023: £5.9 million). The Trustees had set up designated funds for accelerating fundraising (£0.25 million) and research (£0.75 million) at the start of the financial year. These designated funds were closed at the end of the year with the unspent portion being reclassified as unrestricted.

The designated fund for the investment property was stated at £1.6 million at 30 June 2023, following a professional valuation. An offer of £2.5 million was received on 21 June 2024 on the investment property, the sale concluded at the offer price in late August 2024. As a consequence the designated fund as at 30 June 2024 has been uplifted to £2.5 million.

The designated fund for fixed assets includes the capitalised costs of fixtures and fittings, IT equipment and leasehold improvements. The value of this fund stood at £1.6 million at 30 June 2024 (30 June 2023: £1.1 million). The difference is largely attributable to the refurbishment of a new head office.

Investments

The Finance + Audit Committee, which reports to the Board of Trustees, monitors the activities and performance of the investment managers on a regular basis.

The charity's aims in investing its funds continue to be to:

- produce the best financial return within an acceptable level of risk
- maintain the capital value of our investments in real times over a 3–5-year cycle
- hold sufficient liquid funds to meet short-term funding requirements.

Investments are invested in pooled funds and the Finance + Audit Committee monitors each fund's performance annually and compares with industry benchmarks to ensure the funds remain appropriate for the charity's investments. During 2023-24 we completed the transfer of all our investments to a single fund manager, CCLA, that specialises in managing investments for churches, charities and local authorities and leaves them committed to socially responsible investments.

Investment performance

The movement on investments is shown in Note 12. Total gains in investments for the year were £1.5 million (2022-23: gain of £0.6 million). The move to a single fund manager resulted in a realised gain. Our target for investments was CPI+5% once all investments were moved to a single fund manager. The transfer was completed in October 2023 and performance has been an increase of 9% from October to June 2024. A further sale of some investments resulted in an additional gain. The investment performance across the year continued its positive progress, albeit modestly. Our reserves are held in investments to support our research grants liabilities. Prior year positive cash inflows enabled us to leave our reserves untouched. Lower cash inflows in 2023-24, however, meant that we released some investments to support our cash management.

Reserves

How we manage our reserves

Asthma + Lung UK holds money in reserves to ensure it can continue to be there for everyone with a lung condition. It also holds reserves required to meet its commitments and obligations. The charities SORP sets out four broad categories of reserves:

- Unrestricted: funds which we can use to fulfil any part of our charitable mission.
- Restricted: funds which have some form of condition attached specifying how they can be spent. For example, this may be a restriction relating to a particular lung condition, or it may relate to a specific project that a donor has generously agreed to fund.
- Endowment: restricted funds which are held for a long-term benefit, from which income can be generated and spent.
- Designated: funds which the Trustees have set aside for some specific purpose which are not included in our assessment of free reserves. This includes our fixed asset reserve, which reflects the value of the charity's fixed assets.

Our reserves picture is more complicated than for some charities. As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. This is particularly the case for asthma, and that's partly because of our history as two separate charities that came together to form Asthma + Lung UK. We also receive funds for other conditions like COPD.

These donations fulfil our core charitable purpose and are akin to unrestricted reserves in that sense, so we group them together with unrestricted free reserves as core reserves. This simplifies our management of reserves, whilst ensuring we comply with our donors' wishes. This excludes project-specific restrictions which have their own spending criteria.

In June 2022, to recognise our move to a single name and brand, the Trustees considered our approach to managing our reserves and agreed an updated reserves policy effective from 1 July 2022.

In Note 18 to the accounts on page 75, we've set out the full picture of our reserves, and we've also added a table showing which reserves are included in our calculation of core reserves.

In order to keep our management of reserves as simple as possible and to avoid unnecessary administration costs, we account for all general expenditure as unrestricted expenditure. We then apportion a reasonable share of these costs to the various restricted core funds, and make transfers between the funds to reflect this. To do this, we have used a combination of the prevalence of each condition and demand for our charitable services, and we will apportion costs as follows:

Proportionate share of common costs

Condition	Percentage share (nearest 5%)
Asthma	55%
Bronchiectasis	5%
Childhood wheeze	10%
COPD	10%
COVID-19 and Long COVID	10%
Infectious diseases (including COVID-19)	5%
Interstitial lung diseases (e.g. IPF)	5%

The apportionment of costs continues to appear as fund transfers and is visible in our accounts. Where there are insufficient funds to cover the share of costs, we reduce any available balance to zero and don't seek to redistribute any shortfall.

Our reserves policy

Our reserves policy and calculation methodology is based on Charity Commission best practice as set out in CC19 and is designed to ensure the charity can continue its charitable work despite fluctuations in income and investment performance. This has become particularly relevant given the economic volatility of recent years, through the impact of COVID-19, the rising cost of living and the war in Ukraine, on both our ability to fundraise and the value of our investments.

Our policy is also designed to ensure we can meet our commitments in relation to research grant funding and reduce the impact in the unlikely event that the charity had to close.

We set a minimum level of reserves and an upper target, and our aim is that the total of all core reserves falls within this range. Core reserves are defined above.

The required level of free core reserves is calculated using the following steps:

- a requirement to hold reserves to mitigate income risk
- a reduction to reflect expenditure which would be stopped quicker in the event of a close-down, such as investments in new fundraising
- a requirement to hold reserves to partially mitigate investment volatility, based on historic movements over three years (based on the performance benchmark data for the funds), adjusted for the proportion of total reserves held in investments at the last balance sheet date
- a specific provision for future research activity planned from our core funds, discounted to reflect estimated specific fundraising to backfill reserves
- a discount to the unrestricted target to reflect the property held by the organisation on a near-freehold basis, based on an estimate of a portion of the asset that could easily be made liquid in an emergency
- a small working capital requirement of one month of expenditure, adjusted as with step four, added to provide an upper limit to the target.

Based on our 2023-24 budget and assessment of the risk factors above, our Trustees recommend a range of between £5.1 million and £5.9 million in free core reserves.

Our reserves at the end of the financial year

At the end of the year, the charity held total funds of £12.2 million (2022-23: £13.6 million). Excluding endowment funds, restricted funds and funds designated for specific purposes, the charity held £3 million of uninterested funds being our free reserves. This is currently £2 million below our free reserves minimum target: however, the sale of the Goswell Road premises in August 2024 has restored free reserves to within the target range.

Note 18 to the financial statements sets out the breakdown of our various funds. The stated figure for total non-asthma restrictions of £1.2 million is net of a deficit balance on one restricted fund. Excluding this fund, the total is £1.8 million. The deficit balance of £0.6 million relates to the GSK Chair Fund, which has an associated endowment fund; a Note explaining the deficit position and the plan to address it can be found in the section on endowment funds, on pages 76-77. Our current level of core reserves is £1.5 million below our minimum reserves requirement.

Financial position at the end of the year and outlook

At the end of the reporting period the net movement in funds was a deficit of £1.3 million (2022-23 net gain of £0.4 million). The result of the sale of the investment property concluded in August 2024 and the sum achieved, £2.5 million, has been added to our investment portfolio and will be used in part to replenish reserves.

Going concern

The financial statements are prepared on a going concern basis, and Trustees consider that the charity will remain a going concern for at least the next 12 months.

Our plans for 2024-25 included a planned small deficit on core funds. The sale of our investment property at £2.5 million post year end will bring our core reserves to £5.9 million, which is within our target range, which is assessed on an annual basis with reference to the following year's plan and budget.

Whilst we do predict that income will grow in 2024-25, with budgeted total income of £16.4 million, of which £15.4 million is expected to be core income, it is increasingly difficult to accurately predict many forms of income. As a result, our reserves policy includes holding a portion of reserves to allow for shortfalls in income. The charity's fundraising income remained broadly stable between 2022-23 and 2023-24 after excluding two significant reductions in restricted income relating to mesothelioma research, and at the point of signing these accounts, indications show that our financial performance in 2024-25 is stable.

Higher costs and the one-off expenditure on the head office move seen in 2023-24 will be mitigated by the planned restructure of the support functions during 2024-25 following the period of transformation after the merger. These factors taken together lead the Board of Trustees to conclude that the charity is a going concern and will remain a going concern for at least the next 12 months.

Fundraising governance and regulations

Participation in fundraising regulation and our compliance with the code

We value the support of every one of our donors and work hard to ensure that our fundraising activity is open, legal and fair. We work with the Fundraising Regulator and the Chartered Institute of Fundraising to make sure our fundraising activities operate to the highest standards. We proudly adhere to the Code of Fundraising Practice and our Fundraising Promise is posted on our website. We never sell contact data and our supporters can change their communication preferences at any time.

How we protect vulnerable people

Every donor is an individual with a unique background, experiences and circumstances – and every interaction between a fundraiser and donor is different. We require all staff to follow best practice guidelines for dealing with vulnerable people and our Policy for Fundraising with Vulnerable Supporters is available on our website. We constantly review best practice guidance on protecting individuals at risk and have updated our self-exclusion from gambling process to safeguard the wellbeing of individuals. We continuously look to ensure we appropriately act to protect potentially vulnerable people whilst also protecting the reputation of the organisation and its employees.

We comply with the Chartered Institute of Fundraising guidance, set out in Treating Donors Fairly. We also require our staff, and any agencies contacting members of the public on our behalf, to comply with guidelines provided by the Data and Marketing Association and the Public Fundraising Regulatory Association. These guidelines do not cover children and young people under the age of 18, and we do not actively seek donations from them.

How we monitor fundraising activities by third parties

We work with a variety of third parties to raise money, including commercial participators and professional fundraisers. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. This year, we continued to employ a telephone agency to call people on our behalf. We provided guidance to their staff and monitored calls regularly to ensure they represented the organisation appropriately.

Complaints

Asthma + Lung UK received five direct fundraising complaints this year. We have not received any complaints through the Fundraising Regulator. We take all complaints seriously and the Supporter Care Team have responsibility for ensuring that complaints about the organisation are recorded and handled appropriately. In all cases we aim to resolve or acknowledge receipt within five working days, and our Fundraising Complaints Procedure is easily found on our website.

FPS requests

The Fundraising Preference Service (FPS), run by the Fundraising Regulator, is aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. Asthma + Lung UK received 14 of these requests in the period from 1 July 2023 to 30 June 2024.

Risk and uncertainties

The Board has ultimate responsibility for the management of risk and they have delegated the responsibility to the Finance + Audit Committee to oversee the charity’s risk management strategy and process. The risk register is reviewed regularly by the Committee and key risks are highlighted on a risk heat map. Risks are then discussed at every Board meeting.

A formal risk management policy and framework has been adopted to ensure there is a shared understanding of risks and how they can be managed. The risk register is used to ensure identified risks have suitable mitigations in place, the risk appetite is understood and to highlight any additional controls to reduce the risk further. It is reviewed by the Executive Team who discuss changes to the risk register at a monthly meeting. Project risks are managed within the Project Management toolkit and escalated to the Executive Team or the Finance + Audit Committee as appropriate.

The key risks and uncertainty are set out in the table along with mitigation and future actions.

Risk	Mitigation	Future actions
<p>Being unable to respond to changes in our beneficiaries’ needs</p> <p>Failure to fully understand the changing needs of our beneficiaries could lead to an inadequate response to increased or changing demands and consequent reduction in levels of engagement with people living with lung conditions.</p>	<ul style="list-style-type: none"> • Five-year strategy places the needs of people with lung health issues at the heart of our activities • Information acquired through helpline and support group sessions • Engagement with the Respiratory Voices network • Results of surveys into the needs of people living with lung conditions 	<ul style="list-style-type: none"> • Roll-out of our programme to increase our contact with the newly diagnosed and people leaving hospital • Projects to increase access to pulmonary rehabilitation
<p>Failure to uphold standards for clinical and research governance</p> <p>Failure to deliver consistent programmes that are compliant with best clinical governance, and evidence the impact of our activities, could lead to the loss of funding opportunities.</p>	<ul style="list-style-type: none"> • Compliance to AMRC best practice guidelines for giving research funding • Employment of professionally qualified nurses for our helpline • Recording and review of helpline calls supporting continual professional development • Evaluation procedures built into programme work 	<ul style="list-style-type: none"> • Delivery of an enhanced EDI plan to increase our reach to minority groups • Continuing checking of qualifications and competencies of staff and volunteers

Risk	Mitigation	Future actions
<p>Unable to attract and retain talented staff</p> <p>Failure to recruit and retain a strong and robust workforce, including employees and volunteers, could impact our ability to deliver our ambitions for our beneficiaries. This may include a failure to embed an inclusive workplace culture.</p>	<ul style="list-style-type: none"> • People and Governance Committee • Values built into performance management process • Staff Forum • Whistleblowing policies and procedures • People policies and procedures 	<ul style="list-style-type: none"> • Benchmarking of benefits packages • Implementation of talent management strategy
<p>Failure to raise enough income or manage our resources to maximise their value</p> <p>Failure to raise enough income to deliver our annual business plan. Failure to manage the impact of inflation on operating costs causing unbudgeted deficit. Failure to respond to loss in values of investment assets leading to a reduction in our reserves.</p>	<ul style="list-style-type: none"> • Finance + Audit Committee review performance against budget and forecast • Reserves Policy • Executive Team monitoring delivery of strategic objectives and income pipelines • Budget aligned to annual business plan and strategy • Regular robust reforecasting 	<ul style="list-style-type: none"> • Implement new approaches to data to enhance both beneficiary and supporter journeys. • Increased investment in key fundraising roles
<p>Lack of research funding affects delivery of our research work</p> <p>Less investment and reduced capacity in research and innovation could reduce the volume of research, weaken academic workforce/institutions/collaborations and delay discovery and clinical trials, stalling new knowledge and innovation that could benefit people with lung disease.</p>	<ul style="list-style-type: none"> • Work with AMRC and other medical charities to amplify the message and raise awareness of lack of investment • Invest in proven research and innovation funding influencing models • Review funder strategies for co-funding opportunities 	<ul style="list-style-type: none"> • Increase our own research funding over the coming years • Influence others through research calls to action, to leverage our own funds so that even greater sums are spent overall

Risk	Mitigation	Future actions
<p>Influencing and communications</p> <p>Failure to effect change on behalf of beneficiaries in a complex external environment or failure to deliver against our policy priorities could lead to poorer delivery of care, lack of progress on public health including clean air and worsening health outcomes for people with lung disease.</p>	<ul style="list-style-type: none"> • Launch of new brand to support the strategy • Founder member of the Healthy Air Coalition working with other charities to support clean air campaigning • Professional communications team ensure consistency and accuracy of messages • Dedicated public affairs team working with Westminster politicians and devolved governments to raise awareness of lung conditions and their impact 	<ul style="list-style-type: none"> • Development of relationships with government elected in July 2024 • Working, through the Healthy Air Coalition, to reach grassroots organisations and extend work in schools • Continuing to run the secretariat for the Taskforce for Lung Health to bring together key partner organisations to speak with one voice on lung health
<p>Cyber attack</p> <p>Loss of operational ability and loss of data caused by a cyber attack on charity systems</p>	<ul style="list-style-type: none"> • Cyber activity monitored by a Cyber Security Centre • Annual penetration testing and implementation of arising actions • Systems designed to withstand attacks and managed by a Managed Service Provider 	<ul style="list-style-type: none"> • Development and testing of an enhanced Cyber Security Incident Plan • Accreditation of computer security to the Cyber Essentials Plus standard
<p>Ethics and integrity</p> <p>Failure to act in the best interests of our beneficiaries, or failure to comply with all applicable legal and regulatory requirements could lead to decreased engagement with people with lung disease, loss of funding opportunities and regulatory censure.</p>	<ul style="list-style-type: none"> • Compulsory e-learning for new starters including UK GDPR, cyber-security, safeguarding, EDI and health and safety. • Internal information governance group to approve changes to data and cyber processes. • Ethical fundraising and investment policies, aligned to Fundraising Regulator standards 	<ul style="list-style-type: none"> • Monitor and report on achievement of ESG agenda

Trustees' report

Structure

Asthma + Lung UK (the Charity) is a company limited by guarantee (registered company number 01863614 in the United Kingdom and 005851F in the Isle of Man) and is a charity registered and regulated by the Charity Commission in England and Wales (Charity number: 326730), the Office of the Scottish Charity Regulator in Scotland (Charity number: SC038415) and the Attorney General of the Isle of Man (Charity number: 1177).

The Charity's constitutional document is its Articles of Association which sets out the charitable objectives. These are:

- the relief of persons suffering from diseases of the chest and lungs, to include, on a continuing basis, asthma, and the prevention of those diseases;
- the promotion of medical research into the prevention, treatment, alleviation and cure of those diseases and the dissemination of the useful results of such research for the benefit of the public and the promotion of post-graduate training and the creation of fellowships, hospitals, medical centres and research institutes; and
- the provision of care, support, services and information for persons suffering from those diseases.

The Charity is governed by a Board of Trustees chaired under powers defined in the Memorandum and Articles of Association which was last updated in March 2022. The Board of Trustees may number between five and fifteen Trustees. On 1 July 2023, ten Trustees were in post; on 30 June 2024, thirteen Trustees were in post.

Three Trustees were appointed during the period 1 July 2023 to 30 June 2024. John Hannaford joined in August 2023 and was confirmed as the Chair of the Finance and Audit committee in June 2024. Professor David Lomas joined in January 2024 and Dr Tom Hodson in April 2024.

The Board is supported by two sub-committees: the Finance + Audit Committee and the People + Governance Committee.

The day-to-day running of the Charity is the responsibility of the Executive Team, led by the Chief Executive.

Asthma + Lung UK has two active subsidiary companies:

- Asthma Enterprises Limited (registered company number 02355314), and
- ALUK Trading Limited (registered company number 02341027).

Each subsidiary is a wholly owned independent company with a board of directors. The companies are used for trading activities and gift their profits, with Gift Aid, to the parent charity. More details on the subsidiary companies are available in Note 4 to the financial statements on pages 67-68. During the period 1 July 2023 to 30 June 2024 Asthma Enterprises Limited was made inactive and all trading transactions now run through ALUK Trading Limited.

Asthma + Lung UK cooperates closely with other charities with aligned objectives providing the secretarial support to two charitable consortia:

- Taskforce for Lung Health, see page 26
- Healthy Air Coalition, see page 26

Under these arrangements, each charity operates independently to achieve our common goals.

Governance

The Board

The Board of Trustees may have a minimum of five and up to fifteen Trustees. Trustees may serve for up to two terms of four years. Retiring Trustees may be re-elected but no Trustee can serve more than two consecutive terms unless the Trustees decide there are exceptional circumstances.

Two honorary roles exist, Vice Chair and Treasurer, that the Trustees may appoint from their number for a term of office as they see fit.

Trustees receive no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

Committees

The Board is supported by two committees to which it delegates certain authorities. The committees work to their terms of reference, which is approved by the Board and reviewed periodically.

Finance + Audit Committee

The Finance + Audit Committee meets at least four times a year. It reviews and makes recommendations to the Board on:

- finance, including budgets and management accounts
- risk management
- audit and statutory reporting
- investments
- capital projects
- customer complaints and feedback.

People + Governance Committee

The People + Governance Committee meets at least twice a year. It reviews and makes recommendations to the Board on:

- Trustee nomination and recruitment
- benefits for employees
- health and safety
- safeguarding
- employee and volunteer-related complaints and feedback.

Research Review Panel

Members of the panel are invited independent experts who meet to review grant applications and make recommendations to Trustees and inform and review progress against the research strategy. A full list of members who attended panels in 2023-24 is provided on page 56 of this report.

Trustee appointment and induction

The Board completes a self-assessment regularly against the Charity Commission Governance Code, last updated in September 2023. This information is used to inform the brief for the appointment of new Trustees. During the period 1 July 2023 to 30 June 2024 the Trustees engaged the audit firm, Price Bailey, to complete a review of governance arrangements. This was delivered in March 2024 and the Board has overseen the implementation of the recommendations made in the report.

To ensure that roles are advertised as broadly as possible, the early stages of recruitment up to the shortlisting of candidates is managed by an external recruiter. New Trustees are proposed by the People + Governance Committee and formally appointed by the Board.

New Trustees are given an induction tailored to their role, including meeting with relevant staff and senior management team members, historical information including Board and Committee minutes and strategic plans. Each Trustee is given information on their legal duties and invited to attend external Trustee training events funded by the charity. On appointment, each Trustee completes a register of interests, which is reviewed annually and agrees to abide by the Charity Commission's Governance Code and the charity's own Code of Conduct.

Short biographies for all serving Trustees can be found on our website:

asthmaandlung.org.uk/about-us/our-leadership-team

Pay and benefits for key staff

Remuneration for the Chief Executive and Executive Team is set, maintained and reviewed by the People + Governance Committee. Senior staff salaries are benchmarked to the midpoint of two publicly available Charity Remuneration surveys.

Trustees are unpaid but are reimbursed reasonable expenses incurred in their duties.

Public benefit

The Trustees confirm that they have referred to the information in the Charity Commission's guidance on public benefit when reviewing Asthma + Lung UK's aims and objectives, in planning activities, and setting policies and priorities for the year ahead.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with FRS102 and United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). 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 the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Asthma + Lung UK will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Crowe LLP was reappointed as the charitable company's auditors during the year. The Trustees' annual report has been approved by the Trustees on 10 December 2024 and signed on their behalf by



A handwritten signature in black ink, appearing to read 'Tamara Ingram' with a stylized flourish at the end.

Tamara Ingram, OBE

Chair of Trustees, Asthma + Lung UK

Signed on behalf of the Board of Trustees of Asthma + Lung UK

Independent auditor's report

Opinion

We have audited the financial statements of Asthma and Lung UK for the year ended 30 June 2024 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and Notes to the Financial Group Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2024 and of the group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 49, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005, with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR) and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income legacy, grant and trading income, income collected by 3rd parties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, agreeing income to contracts or other supporting evidence on a sample basis, testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission and the Scottish Charity Regulator (OSCR), and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter

Senior Statutory Auditor

A handwritten signature in black ink, appearing to read 'JPoulter', written in a cursive style.

For and on behalf of Crowe U.K. LLP

Statutory Auditor

London

Date: 12 December 2024

Related parties

The Trustees maintain a register of interest and related party declaration is completed annually. Conflicts of interest are declared at the beginning of every Board and Committee meeting and any conflicts of interest are managed in accordance with the Articles of Association.

Asthma and Lung UK is a member of the Taskforce for Lung Health and provides the secretariat for this group. We are members of the Association of Medical Research Charities and maintain close links to the British Thoracic Society, Primary Care Respiratory Society UK and other professional respiratory societies and patient charities. We are a member of the Richmond Group and we are also a member of the UK Lung Cancer Coalition, the Global Lung Cancer Coalition, the Common Cancers Coalition, the Smoke Free Action Coalition, and the Healthy Air Coalition, which we also provide the secretariat for. In the charity sector, we are a member of the National Council of Voluntary Organisations.

A number of Trustees and senior management sit on other respiratory health committees and programme boards and the charity is involved in initiatives across the UK.

In 2021-22, after a tender process managed by an external specialist, we selected a digital company, TPX Impact, to deliver our new website which is connected to one of our Trustees. The Trustee was recused from all or any discussion on the performance of the contract.

The same digital company, TPX Impact, associated with our Trustee, is providing support for the new website, therefore we have continuing financial relationship with the company and we have disclosed the values of these as related party transactions. Further detail is available in Note 21 of the Accounts, pages 78-79.

Membership of the Research Award Panel

Core members

Professor Andres Floto, University of Cambridge
Professor Clare Lloyd, Imperial College London
Professor Najib Rahman, University of Oxford
Dr Shamil Haroon, University of Birmingham
Dr Nicola Heron, Medicines Discovery Catapult
Phil Taverner, lay member
Roberta Hobbs, lay member

Mesothelioma panel

Professor Daniel Murphy, University of Glasgow
Dr Katie Finegan, University of Manchester
Dr Astero Klampatsa, Institute of Cancer Research, London
Professor Karen Brown, University of Leicester
Dr Alastair Greystoke, Newcastle University
Professor Gareth Griffiths, University of Southampton
Dr Crispin Hiley, University College London
Professor Ed Hollox, University of Leicester
Jude Irvine, lay member

PhD bursary awards

Professor Janelle Yorke, University of Manchester
Dr Anna Murphy, University Hospitals of Leicester NHS Trust
Dr Enya Daynes, University Hospitals of Leicester NHS Trust
Professor Nicola Roberts, Edinburgh Napier University
Felicity Payne, lay member

Early careers starter grants

Professor Amelia Shoemark, University of Dundee
Professor Liz Sapey, University of Birmingham
Dr Lynne Prince, University of Sheffield
Dr Nicholas Hannan, University of Nottingham
Dr Ireti Adejumo, University of Nottingham
Malcolm Ginever, lay member

We are extremely grateful for the continued support from our donors, supporters, campaigners, volunteers and those people who have left us a gift in their will. A special thank you must go to our Patron and our Presidents for their unstinting support.

Major donors

Victor Dahdaleh Foundation

Trusts and statutory

Sport England
Bupa Foundation
The Peacock Charitable Trust
Robert Luff Foundation Limited
The Michael Uren Foundation
Clean Air Fund
Impact on Urban Health
Medical Research Council
Players of People's Postcode Lottery

Corporate partnerships

Lucas	NiQuitin / Perrigo
Nutricia	Thales
Catalina Services Ltd	Electricity North West
Irwin Mitchell	

Pharmaceutical

Chiesi	Mallinckrodt
GSK	Pfizer
AstraZeneca	IPAC
Sanofi	
Seqirus	

We would not be able to continue our work without your support.

THANK YOU!

Financial statements

Group Statement of Financial Activities

for the 12 months to 30 June 2024 (incorporating consolidated income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	30 June 2024 Total funds £'000	30 June 2023 Restated total funds £'000
Income from:						
Donations and legacies		6,806	4,100	–	10,906	12,062
Charitable activities		269	2,488	–	2,757	1,673
Other trading activities		482	41	–	523	377
Investments		465	95	23	583	595
Total income	2 (b), 3	8,022	6,724	23	14,769	14,707
Expenditure on:						
Expenditure on raising donations and legacies	7a–7c	3,959	57	–	4,016	3,723
Investment management costs		94	28	13	135	135
Total expenditure on raising funds		4,053	85	13	4,151	3,858
Net incoming resources available for charitable application		3,969	6,639	10	10,618	10,849
Charitable activities:						
Research	7a–7c	2,707	2,498	–	5,205	3,198
Improving care	7a–7c	3,629	562	–	4,191	3,422
Advice and support	7–7c	4,646	305	–	4,951	4,466
Total expenditure on charitable activities		10,982	3,365	–	14,347	11,086
Total expenditure	7a–7c	15,035	3,450	13	18,498	14,944
Net income/(expenditure) before investment gains		(7,013)	3,274	10	(3,729)	(237)
Gains/(losses) on investments funds	12	1,531	(147)	92	1,476	626
Gains on investment assets	13	915	–	–	915	–
Net income/(expenditure)		(4,567)	3,127	102	(1,338)	389
Transfers between funds		6,107	(6,107)	–	–	–
Net movement in funds		1,540	(2,980)	102	(1,338)	389
Reconciliation of funds:						
Fund balances brought forward at 1 July 2023		5,866	4,191	3,494	13,551	13,162
Net movement in funds		1,540	(2,980)	102	(1,338)	389
Fund balances carried forward at 30 June 2024	18	7,406	1,211	3,596	12,213	13,551

Prior year split between unrestricted and restricted appears in Note 24.

There are no unrecognised gains or losses other than those disclosed above. All of the results derive from continuing activities in the period.

The accompanying Notes are an integral part of this statement of group financial activities.

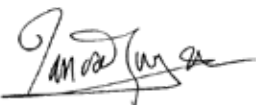
The deficit determined under the Companies Act 2006 is £1,467k (2022/23: £286k deficit).

Balance sheet

as at 30 June 2024

	Notes	Consolidated		Charity	
		30 June 2024 £'000	30 June 2023 £'000	30 June 2024 £'000	30 June 2023 £'000
Fixed assets					
Intangible assets	11	704	900	704	900
Tangible assets	11	939	173	939	173
Investments	12	15,767	17,943	15,867	18,043
Property held for Investment	13	2,515	1,600	2,515	1,600
Total fixed assets		19,925	20,616	20,025	20,716
Current assets					
Stock		28	27		
Debtors	14	1,878	1,705	1,990	1,733
Cash at bank and in hand		3,475	3,399	3,265	3,253
Total current assets		5,381	5,131	5,255	4,986
Creditors					
Amounts falling due within one year	15	10,107	9,528	10,081	9,482
Net current assets/(liabilities)		(4,726)	(4,397)	(4,826)	(4,496)
Total assets less current liabilities		15,199	16,219	15,199	16,220
Creditors falling due after more than one year	16, 17	2,986	2,668	2,986	2,668
Net assets		12,213	13,551	12,213	13,552
Represented by:					
Funds					
Endowment funds		3,596	3,494	3,596	3,494
Restricted funds		1,207	4,191	1,207	4,191
Designated funds – fixed assets		1,644	1,073	1,644	1,073
Designated fund – property held for investment		2,515	1,600	2,515	1,600
Designated funds – Research Accelerator Fund			750		750
Designated funds – Fundraising Accelerator Fund		244	250	244	250
Unrestricted funds		3,007	2,193	3,007	2,194
	18	12,213	13,551	12,213	13,552

The annual Trustees' report and accounts including notes 1 to 25 were approved and signed on their behalf by the Trustees on 10 December 2024.



Tamara Ingram
Chair



John Hannaford
Chair of the Finance & Audit Committee

Group cash flow

for the 12 months ended 30 June 2024

Notes	30 June 2024 £'000	30 June 2023 £'000
Cash flow from operating activities:		
Net cash provided by operating activities (a)	(3,138)	(1,414)
Cash flow from investing activities:		
Dividends and interest from investments	583	595
Cash rebate on investment management fees	23	–
Purchase of tangible fixed assets	(886)	(171)
Purchase of intangible fixed assets	–	(637)
Proceeds from sale of investments	15,807	5,621
Purchase of investments	(12,313)	(5,885)
Increase of cash held in investment portfolio	1	162
Net cash provided by/(used in) investing activities	3,215	(315)
Change in cash and cash equivalents in the reporting period	76	(1,729)
Cash and cash equivalents at the beginning of the reporting period	3,399	5,128
Cash and cash equivalents at the end of the reporting period (b)	3,475	3,399
Notes:		
Net income for the reporting period	(1,338)	389
Adjustments for:		
Depreciation charges	120	80
Amortisation of intangible fixed assets	196	48
Gains on investments funds	(1,476)	(626)
Gains on investment assets	(915)	–
Investment management fees	135	135
Dividends and interest from investments	(583)	(595)
(Increase)/decrease in stock	(1)	(5)
(Increase)/decrease in debtors	(173)	(35)
Increase/(decrease) in creditors falling due within one year	579	1,247
Increase/(decrease) in creditors falling due in more than one year	318	(2,052)
(a) Net cash provided by/(used in) operating activities	(3,138)	(1,414)
(b) Analysis of cash and cash equivalents		
Cash in hand	3,475	3,399

Notes to the group financial statements

for the 12 months ended 30 June 2024

1. Charity information

Asthma and Lung UK is a company limited by guarantee (registered number 01863614 England & Wales; 005851F Isle of Man), which is a public benefit entity and registered as a charity (charity number 326730 England & Wales; SC038415 Scotland and 1177 Isle of Man), and domiciled in the UK. The address of the registered office is The White Chapel Building, 10 Whitechapel High Street, London E1 8QS.

Asthma and Lung UK was formed from the merger of Asthma UK and the British Lung Foundation on 1 January 2020. Upon the merger the charity became known as the Asthma UK and British Lung Foundation Partnership while it maintained two separate outward facing charity brands. On 28 February 2022 we re-launched the charity under our new name and brand.

To facilitate this merger of equals, the Trustees of Asthma UK resolved to donate the net assets of the charity at fair value to the British Lung Foundation, which renamed itself to reflect the merged charity's focus. The merged charity took on responsibility for all assets and liabilities previously held by Asthma UK. Excluding endowment and restricted funds, the remaining net assets were treated as restricted in line with the pre-merger objects of Asthma UK. A restricted fund for asthma was created, into which any general income raised under the Asthma UK identity was paid. We continue to receive generous donations restricted to asthma which are also paid into that fund, and as a multi-condition charity, the same principle applies to donations received for other conditions such as COPD.

These restricted funds are grouped together with unrestricted funds to allow efficient internal management. They are used for direct charitable activity related to each condition, and an equitable share of general charitable activity and charity running costs, as well as the costs of generating income. Note 17 shows the detail of transfers between restricted core funds and the unrestricted fund to reflect this use. Our Trustees' Annual Report sets out the approach to managing these funds in more detail.

2. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP applicable to charities and the public benefit entities accounting under FRS 102, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared under the historical cost convention, with the exception of quoted investments and property held for investment which are stated at market value.

Basis of consolidation

The financial statements have been consolidated to include the results of the charity's subsidiaries using the equity line by line method. Transactions and balances between the charitable company and its subsidiaries have been eliminated through the consolidated financial statements. No separate statement of financial activities for the charity has been prepared for the Charity alone as permitted under Section 408 of the Companies Act 2006.

Included in the group results are income of £14,487k (2023: £14,547k); expenditure of £18,347k (2023: £14,886k); investment gains of £2,391k (2023: gains of £626k) and a net decrease in funds of £1,338k (2023: £390k increase) resulting from activities of the Charity.

The particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The planned deficit was to facilitate the activities in year and to lay down the foundation for planned activities in 24/25. The key judgements that the charitable company has made, which have a significant effect on the accounts, include estimating the liability from multi-year grant commitments. The Trustees do not consider that there are any 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 reporting period.

(b) Income

All incoming resources are included in the statement of financial activities when the group is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable. When income is received in advance of providing goods or services, it is deferred until the group becomes entitled to the income.

Residuary legacies are recognised when all the three criteria below are met:

1. Establish entitlement – entitlement to legacies is taken as the earlier of the estate accounts being approved or cash received.
2. Where receipt is probable – the charity is aware that probate has been granted.
3. The amount is measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed.

Pecuniary legacies are recognised on probate.

Where 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, then the legacy is treated as a contingent asset and disclosed if material.

For both government grants and grants received from other sources, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

Gifts in kind are recognised at reasonable estimates of their gross value to the charity or the amount actually realised. Gift in kind in Note 3 largely relates to free ad words provided by Google which has been predominantly used to promote health messaging around asthma management.

Investment income includes dividends and interest but excludes realised and unrealised investment gains and losses.

(c) Expenditure

Expenditure is classified by reference to specific activity categories, so that all direct costs relating to a specific activity have been aggregated. Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing Asthma and Lung UK's investments. The costs of these activities also include expenditure of an indirect nature necessary to support them.

Liabilities in respect of research grants, senior research fellowships and professorial chairs are recognised at the point at which the grant is awarded which is when the future commitment represents a constructive obligation. Where a grant may run for more than one year the entire obligation is recognised at the time of the initial award, although disbursement of the funds may be made in subsequent accounting periods.

(d) Allocation of support costs

Support costs, which include general functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance are separately analysed and then allocated across the categories of charitable expenditure, governance costs and the costs of generating funds.

Governance costs relate to general running of the charity and include audit fees, legal advice for Trustees, costs associated with constitutional and statutory requirements and costs associated with the strategic management of the charity.

The basis of allocation of support costs are reviewed regularly and are explained in detail in Note 7(b). The basis of the cost allocation has been explained in the Notes to the accounts.

(e) Pension costs

Asthma and Lung UK operates two defined contribution pension schemes for its employees depending on historical contractual arrangements. Contributions to the scheme(s) are charged to the Statement of Financial Activities when incurred.

(f) Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight-line basis at the following rates:

Long leasehold property	over 50 years
Leasehold improvements	over the duration of the lease
General office equipment and furniture	over 5 years
Fixtures, fitting and furniture specific to buildings	over the duration of the lease
Computer hardware	over 3 years
Intangible fixed assets – software	over 3 to 5 years

Tangible and intangible fixed assets are stated at cost less accumulated depreciation/amortisation or any provision for impairment. Individual items under £2,000 are not capitalised.

(g) Fund accounting

The company maintains four types of funds. General unrestricted funds are funds available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the Trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the designated and restricted funds are set out in the Notes to the financial statements. At the year-end any fund deficits are maintained only when the Trustees are of the opinion that such deficits will be eliminated by future committed giving or income generated from investments. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in Note 18.

For internal management purposes, we group together our unrestricted general funds and a number of restricted funds which relate to our core purpose and are akin to general funds. The largest of these is the restricted fund for asthma. We call these core funds; whilst not a fund type under the definition of the SORP, it helps us separate the funds from more specific restricted funds, for example those held for project activity. This allows us to minimise the cost and impact of managing these funds, by apportioning an equitable share

of costs according to the prevalence of each condition and demand for our services. This includes charitable activity, as well as support costs and the costs of generating funds. The details of how we manage these funds are set out in the Trustees' Annual Report, which also sets out how we set a target level of reserves with reference to the total of core funds. Note 18 includes an additional table showing the movement in core funds over the year.

Endowed funds are funds to be held permanently, where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose although their constituent assets may change from time to time.

(h) Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease or until the next review date if earlier.

(i) Taxation

The charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiaries (Asthma Enterprises Limited, and ALUK Trading Limited) have not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Asthma and Lung UK is registered for VAT and has partial exemption in respect of its trading activities.

(j) Judgements and estimates

In the application of the charity's accounting policies, which are described in Note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

(k) Financial instruments

Financial assets and financial liabilities are recognised when Asthma and Lung UK becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Asthma and Lung UK 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Asthma and Lung UK has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertaking is held at cost less impairment.

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note 14. Financial liabilities comprise all creditors as set out in Notes 15 and 16. At the balance sheet date the Group held financial assets at fair value through income or expenditure of £5,004k (2023: £4,764k) and financial liabilities at amortised cost of £13,093k (2023: £12,196k).

3. Income

	Group unrestricted funds £'000	Group restricted funds £'000	Group endowment funds £'000	2024 Total funds £'000	2023 Group funds £'000
Income from donations and legacies					
Legacies	2,518	2,389	–	4,907	5,036
Donations from individuals and corporates	2,135	1,616	–	3,751	4,793
Donations from trusts	87	36	–	123	220
Donations from community and events fundraising	1,636	59	–	1,695	1,512
Gifts in kind	430	–	–	430	501
	6,806	4,100	–	10,906	12,062
Income from charitable activities					
Grants	208	2,452	–	2,660	1,548
Patient Insights	61	36	–	97	125
	269	2,488	–	2,757	1,673
Income from trading activities					
Corporate income	88	–	–	88	50
Income from gaming	193	–	–	193	228
Sale of merchandise and health advice resources	201	41	–	242	99
	482	41	–	523	377
Income from investments					
Income from investment portfolio	410	95	23	528	557
Interest from cash deposits	55	–	–	55	38
	465	95	23	583	595
Total income	8,022	6,724	23	14,769	14,707

4. Trading activities of subsidiaries

At the start of the financial year, Asthma and Lung UK had two wholly owned trading subsidiaries: Asthma Enterprises Limited and ALUK Trading Limited (formerly BLF Services Limited). During the year to 30 June 2024 the assets and liabilities of Asthma Enterprises Ltd (Company number 02355314) were transferred to ALUK Trading Ltd in advance of closing the company leaving the charity with the one wholly owned trading subsidiary.

Asthma Enterprises Limited

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity. There has been no trading activities in Asthma Enterprises Limited since 30 June 2022 and all assets have been transferred to ALUK Trading Ltd.

Summarised financial results for the year ending 30 June 2024 and the financial position at 30 June 2024 dates for Asthma Enterprises Limited, were:

	12 months to 30 June 2024 £'000	12 months to 30 June 2023 £'000
Operating results:		
Turnover	–	–
Cost of sales	–	–
Gross profit	–	–
Administrative expenses	–	(2)
Net profit for the year before gift aid donation to the charity	–	(2)
Interest received	1	1
Gift aid donation to the charity	–	–
Net profit for the year	1	(1)
Loss c/fwd	(1)	–
	–	(1)
Balance sheet		
Current assets	–	111
Creditors: amounts falling due within one year	100	(12)
Net assets	100	99
Share capital	100	100
Retained profit/(loss)	–	(1)
Shareholders' funds	100	99

4. Trading activities of subsidiaries (continued)

ALUK Trading Limited

ALUK Trading Limited, a subsidiary, is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2024 and the financial position as at 30 June 2024 of ALUK Trading Limited, were:

	12 months to 30 June 2024 £'000	12 months to 30 June 2023 £'000
Operating results:		
Turnover	281	160
Cost of sales	(111)	(38)
Gross profit	170	122
Administrative expenses	(40)	(18)
Net profit for the year before Gift Aid donation to the charity	130	104
Net loss carried forward (AEL)	(1)	–
Gift Aid donation to the charity	(129)	(104)
Net profit for the year	–	–
Balance sheet		
Current assets	383	82
Creditors: amounts falling due within one year	(383)	(82)
Net assets	–	–
Share capital	–	–
Shareholders' funds	–	–

Any profits made by ALUK Trading Limited are paid by gift aid to the parent charity.

5. Research

	2024 £'000	2023 £'000
Awarded during the year	3,459	1,924
Grants written back	(23)	(119)
Total research grants charged in the year	3,436	1,805

A full list of research grants made during the year is detailed in Note 22.

6. Expenditure

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	120	80
Amorisation	196	48
Auditors remuneration	45	42
Auditors remuneration – other work	1	–
Operating lease – land and buildings	363	311
Operating lease – other	13	13

7a. Analysis of total resources expended

	Grants to institutions £'000	Activities undertaken directly £'000	Support costs £'000	2024 Total £'000	Restated 2023 Total £'000
Cost of generating funds:					
Fundraising costs	–	2,168	1,848	4,016	3,723
Investment management fees	–	135	–	135	135
	–	2,303	1,848	4,151	3,858
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	3,436	954	815	5,205	3,198
Improving care	–	2,262	1,929	4,191	3,422
Advice and support	–	2,674	2,277	4,951	4,466
	3,436	5,890	5,021	14,347	11,086
Total	3,436	8,193	6,869	18,498	14,944

We restated support costs to include expenditure on engagement activities (Note 7c), which are cost incurred wholly in support of the charity and therefore accurately reflects the charity's activities of directly generating funds. In 2023 this category of expenditure was included in fundraising costs.

7b. Allocation of support costs

	Finance	Governance	Executive	IT	Data and insight	HR	Facilities	Engagement	2024 Total	Restated 2023 Total
Cost of generating funds	191	56	219	468	109	145	304	356	1,848	1,540
Research	84	25	97	206	48	64	134	157	815	577
Improving care	200	58	229	488	114	152	317	371	1,929	1,415
Advice and support	236	68	270	578	134	179	374	438	2,277	1,845
	711	207	815	1,740	405	540	1,129	1,322	6,869	5,377

Support costs have been apportioned on the basis of the direct costs of each area of expenditure (excluding research grants awarded) as a proportion of total direct costs. Governance costs incurred in 2024 were £207k (2023: £121k). Governance costs include staff time spent on this activity, internal and external audit fees, and direct costs incurred by the board and its sub-committees which are allocated per distinct budgetary activity.

7c. Analysis of total resources expended

	Grants to institutions £'000	Activities undertaken directly £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Cost of generating funds:					
Fundraising costs	–	2,183	1,540	3,723	4,872
Investment management fees	–	135	–	135	127
	–	2,318	1,540	3,858	4,999
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	1,803	818	577	3,198	5,026
Improving care	–	2,007	1,415	3,422	3,117
Advice and support	–	2,621	1,845	4,466	3,635
	1,803	5,446	3,837	11,086	11,778
Total	1,803	7,764	5,377	14,944	16,777

Allocation of support costs

	Finance	Governance	Executive	IT	HR	Facilities	Engagement	2023 Total	Restated 2022 Total
Cost of generating funds	179	35	181	479	137	191	338	1,540	1,506
Research	67	13	68	179	51	72	127	577	376
Improving care	164	32	166	440	126	176	311	1,415	964
Advice and support	212	41	217	575	164	230	406	1,845	1,124
	622	121	632	1,673	478	669	1,182	5,377	3,970

Support costs have been apportioned on the basis of the direct costs of each area of expenditure (excluding research grants awarded) as a proportion of total direct costs. Governance costs incurred in 2023 were £121k (2022: £141k). Governance costs include staff time spent on this activity, internal and external audit fees, and direct costs incurred by the board and its subcommittees which are allocated per distinct budgetary activity.

8. Employees

	2024 £'000	2023 £'000
Salaries	7,775	6,865
National Insurance contributions	742	687
Employer's pension contributions	435	368
Redundancy costs	10	–
Ex gratia payments	39	30
Temporary staff	136	73
	9,137	8,023

	2024	2023
Number of staff (head count based on number of staff employed):		
Charitable services	98	94
Fundraising	54	51
Central services	39	31
Chief Executive's office	4	3
	195	179

Employer pension contributions have been allocated to the fund to which the salary of the respective staff member has been charged.

9. Remuneration of the charity's key management personnel

The key management personnel of the charity include the Trustees, Chief Executive, Chief Operating Officer, Director of Research and Innovation, Director of Fundraising and Engagement, Director of Services and Director of External Affairs.

	2024 £'000	2023 £'000
Total remuneration of key management personnel	721	713

The number of employees receiving remuneration of over £60,000 for the year was as follows:

	2024	2023
£60,001–£70,000	8	4
£70,001–£80,000	3	2
£80,001–£90,000	1	4
£90,001–£100,000	3	3
£100,001–£110,000	3	–
£110,001–£120,000	–	–
£120,001–£130,000	–	–
£130,001–£140,000	–	1

The pension costs in respect of these employees included in the above, amounted to £80,206.

Total remuneration including pension contribution for the Chief Executive Officer was £101,360.

10. Trustees' expenses

None of the Trustees received any remuneration during the year. Two of the Trustees incurred expenses totalling £1,112.95 in the year (2022/23: £702.51).

11. Fixed assets

Consolidated and Charity				
	Short leasehold property £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 July 2023	67	104	196	367
Additions	816	15	57	888
Disposal			(2)	(2)
At 30 June 2024	883	119	251	1,253
Depreciation				
At 1 July 2023	62	61	71	194
Charge for the period	40	14	67	121
Disposal			(1)	(1)
At 30 June 2024	102	75	137	314
Net book value				
At 30 June 2024	781	44	114	939
At 30 June 2023	5	43	125	173

Capital commitments contracted but not provided for in the financial statements comprise £0 (2023: £27,500).

11. Intangible asset

	Computer software
Cost	
At 1 July 2023	1,022
Additions	–
At 30 June 2024	1,022
Depreciation	
At 1 July 2023	122
Charge for the period	196
At 30 June 2024	318
Net book value	
At 30 June 2024	704
At 30 June 2023	900

12. Investments: consolidated

	2024 Total investments £'000	2023 Total investments £'000
Market value as at 1 July 2023	17,943	17,350
Acquisitions	12,313	5,885
Sales proceeds	(15,807)	(5,621)
Investment management fees	(157)	(135)
Movement in cash deposits	(1)	(162)
Investment gain/(loss)	1,476	626
Market value as at 30 June 2024	15,767	17,943

	2024 Total £'000	2023 Total £'000
Investments: Charity only		
UK Common Investment Funds	15,767	17,940
Cash	–	3
Investment in subsidiary	100	100
	15,867	18,043
Historical cost as at 30 June 2024	14,282	13,456

Investments held with Cazanove at the end of 22/23 completed transfer to CCLA in July 2023 and, with Newton transfer to CCLA completed in September 2023.

The charity has two wholly owned subsidiaries; Asthma Enterprises Limited and ALUK Trading Limited. ALUK Trading Ltd supports the charity by carrying out ancillary trading activities. During 2023/24 Asthma Enterprises Ltd, a non trading subsidiary, was closed with all its assets transferred to ALUK Trading. The results of the trading subsidiaries are set out in Note 4.

13. Investment property

	Consolidated and Charity Goswell Road £000's
Cost	
At 1 July 2023	1,600
Gain on revaluation	915
At 30 June 2024	2,515

The property on Goswell Road was transferred to investment property on the basis that the property is no longer being used for operational purposes by the charity.

The property was placed on the market in May 2024 and on 21 June 2024 we were made an offer of £2.5m.

14. Debtors

	Consolidated			Charity
	2024 £000's	2023 £000's	2024 £000's	2023 £000's
Trade debtors	254	56	108	36
Amounts due from Interco	–	–	258	50
Income tax recoverable – Gift Aid	333	112	333	112
Other debtors	234	74	234	74
Prepayments	376	367	376	367
Accrued income	681	1,096	681	1,094
	1,878	1,705	1,990	1,733

At 30 June 2024, legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £7.2 million (2022/23: £5.4 million), which had not been accrued.

15. Creditors' amounts falling due within one year

	Consolidated			Charity
	2024 £000's	2023 £000's	2024 £000's	2023 £000's
Trade creditors	299	60	299	60
Amounts due to Interco	–	–	–	–
Tax and social security	200	184	200	184
Research grants accrual	8,360	8,200	8,360	8,200
Other creditors	348	172	348	172
Other accruals	630	605	630	602
Deferred income	67	123	41	80
Provisions	203	184	203	184
	10,107	9,528	10,081	9,482

Research grants represent the value of grants made up to the balance sheet date that are payable within one year.

Deferred income comprises £31k (2023: £40k) of lottery income for subscriptions collected where the draw has not yet taken place, £26k (2023: £21k) of sponsorship income from fundraising events, such as marathons where the event has not yet taken place, and £10k (2023: £20k) of income received from a Trust for work to be carried out in future years.

Provisions comprise £203k for property dilapidations (2023: £184k).

16. Creditors' amounts falling after one year

	Consolidated		Charity	
	2024 £000's	2023 £000's	2024 £000's	2023 £000's
Research grants	2,986	2,668	2,986	2,668
	2,986	2,668	2,986	2,668

17. Grants

	2024 total £000's	2023 total £000's
Balance as at 1 July 2023	10,868	11,552
Research grants awarded during the year	2,938	1,924
Grants written back	(23)	(119)
Payments during the year	(2,508)	(2,577)
Recharged to third parties	71	88
Balance as at 30 June 2024	11,346	10,868
Research commitments		
Awards falling due within one year	8,360	8,200
Awards falling due after more than one year	2,986	2,668
	11,346	10,868

18. Statement of funds

	Notes	1 July 2023 fund balance b/f £000's	Income £000's	Expenditure £000's	Investment Gains/ (Losses) £000's	Reallocation between funds £000's	30 June 2024 fund balance c/f £000's
Endowment funds							
Wells	(b)	118	2	(1)	(9)	–	110
Evetts	(a)	1,146	21	(12)	(90)	–	1,065
Glaxo Endowment fund	(c)	2,230	–	–	191	–	2,421
Total endowment		3,494	23	(13)	92	–	3,596
Restricted funds							
GSK-BLF Chair	(c)	(657)	84	(20)	20	–	(573)
Mesothelioma research	(d)	1,071	–	(5)	–	–	1,066
Victor Dahdelah Charitable fund	(e)	70	257	(257)	–	–	70
Taskforce for Lung Health		74	324	(144)	–	(103)	151
Garfield Weston Long Covid fund		16	–	–	–	–	16
NHS England Long-Covid fund		(1)	–	–	–	–	(1)
NHS England – Green Inhalers		–	35	(6)	–	(11)	18
Childhood RSV		6	–	–	–	–	6
Digital Patient Passports		65	–	10	–	(16)	59
Clean Air Community Mobilisation		7	124	(107)	–	(16)	8
Breathe Easy funds		253	(36)	(84)	–	7	140
Other restricted funds	(f)	969	3,117	(2,507)	–	(1,328)	251
		1,873	3,905	(3,120)	20	(1,467)	1,211
Restricted to asthma	(g)	2,318	2,819	(330)	(167)	(4,640)	–
Total restricted		4,191	6,724	(3,450)	(147)	(6,107)	1,211
Designated funds							
Fixed assets	(h)	1,073	–	(277)	–	848	1,644
Investment property	(i)	1,600	–	–	915	–	2,515
Research Accelerator Fund	(j)	750	–	(191)	–	(559)	–
Fundraising Accelerator Fund	(j)	250	–	(6)	–	–	244
Total designated		3,673	–	(474)	915	289	4,403
General fund							
Unrestricted general fund		2,193	8,022	(14,561)	1,531	5,818	3,003
Total general funds		2,193	8,022	(14,561)	1,531	5,818	3,003
Total unrestricted		5,866	8,022	(15,035)	2,446	6,107	7,406
Total funds		13,551	14,769	(18,498)	2,391	–	12,213
Funds treated as core for internal purposes:							
Restricted to asthma	(h)	3,195	2,818	(330)	(167)	(4,989)	527
Other core-purpose general restrictions		–	485	(802)	–	321	4
Unrestricted general fund		2,193	8,022	(14,561)	1,531	5,818	3,003
Total core		5,388	11,325	(15,693)	1,364	1,150	3,534
Endowment funds		3,494	23	(13)	92	–	3,596
Restricted funds		996	3,421	(2,318)	20	(1,439)	680
Designated funds		3,673	–	(474)	915	289	4,403
Total non-core funds		8,163	3,444	(2,805)	1,027	(1,150)	8,679
Total funds		13,551	14,769	(18,498)	2,391	–	12,213

18. Statement of funds (continued)

As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. These donations fulfil our core charitable purpose and are akin to unrestricted reserves in that sense, so we group them together with unrestricted free reserves as core reserves. This simplifies our management of reserves, whilst ensuring we comply with our donors' wishes. As outlined in our Trustees' Annual Report, when we set our reserves target we compare it to the total level of core reserves, which is shown in the table above.

- (a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.
- (b) Peggy Wells fund was endowed for research activity.
- (c) The Glaxo Endowment Fund and the restricted Glaxo Chair fund relate to a permanent endowment, the income from which is used to fund a research Chair post. The balance on the restricted fund is currently in deficit but will be replenished with the income received from the investment fund in which the endowment is held. The deficit arose as a result of an historic accounting error which was corrected during the 2021–22 year.
- (d) Several donors, including an insurance company, have restricted their donations to fund various research projects into mesothelioma.
- (e) Funding from the Victor Dahdaleh Charitable Foundation is used to fund research into mesothelioma and has been used to launch the mesothelioma research network.
- (f) Other restricted funds consist largely of project-related activity funds, or condition-specific funds which may be spent relating only to a condition or set of conditions within the portfolio of conditions the charity supports.
- (g) The restricted fund for asthma was created upon the merger of Asthma UK and the British Lung Foundation, consisting of the net unrestricted assets of Asthma UK as at 31 December 2019. Income raised under the Asthma UK brand prior to our relaunch as Asthma and Lung UK is deemed restricted to asthma and is added to this fund. This also applies to any regular donations committed under Asthma UK, or donations where the donor has expressed a wish that the money be spent on asthma. Direct expenditure and the costs of raising money restricted to asthma are charged directly to the fund. Under the legal agreement for the merger, it was agreed that 45% of all indirect costs incurred for the benefit of all lung conditions would be transferred into unrestricted funds. These are principally the general running costs of the organisation, and any charitable spend which benefits all lung conditions including asthma, as well as the costs of generating those funds. From 1 July 2022 a new methodology is in place, as set out in our Trustees' Annual Report.
- (h) The fixed asset fund relates to the short-term leasehold of the charity's head office at The White Chapel Building, office furniture and equipment and various software systems.
- (i) The investment property fund relates to the charity's office in Goswell Road, London. The property is held on a long-term (973 year unexpired) lease and was formerly an operational asset, being the registered office of the British Lung Foundation prior to the merger. During the 2021–22 financial year the Trustees resolved to dispose of the property through either sale or rental, and so the asset has been reclassified as a property held for investment.
- (j) The Trustees at the June 2023 meeting approved two designated funds to accelerate growth in research and fundraising.

18. Statement of funds (continued)

	Group designated funds £000's	Group unrestricted funds £000's	Group restricted funds £000's	Group endowment funds £000's	2024 Total funds £000's
Fund balances as at 30 June 2024 are represented by:					
Fixed assets	1,644	–	–	–	1,644
Investments	–	12,171	–	3,596	15,767
Investment property	2,515	–	–	–	2,515
Net current assets/(liabilities)	244	(6,182)	1,211	–	(4,727)
Non-current liabilities		(2,986)			(2,986)
Total funds	4,403	3,003	1,211	3,596	12,213

19. Taxation

Asthma and Lung UK is a charity within the meaning of Part 1 of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 Schedule 6 to the Finance Act 2010. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

20. Lease commitments

At 30 June 2024 Asthma and Lung UK had annual commitments under non cancellable operating leases as set out below:

	2024 Land and buildings £000's	2024 Other £000's	2023 Land and buildings £000's	2023 Other £000's
Operating leases which expire:				
Within one year	327	11	209	13
In the second to fifth years inclusive	1,416	5	–	13
Over five years	1,533	–	–	–
	3,276	16	209	26

21. Related party transactions

The Trustees in office during the year are listed on page 83.

Asthma and Lung UK is a registered charity and company limited by guarantee and does not have share capital. The Trustees have no financial interest in the charity's results or assets and received no remuneration for acting in that capacity.

In 2021 the charity appointed TPXimpact to scope and develop a new single website for the charity, which launched in early 2023. The appointment was made following a robust procurement process overseen by a firm of independent advisors, Hart Square. TPXimpact continue to provide support of the charity's website.

Jim Bowes served as its Chief Executive at TPXimpact until September 2021, when he stepped down. Jim has no ongoing management or ownership control of the organisation and is a minority shareholder, however he is a close associate of the directors of TPXimpact.

The total value of fund spent with TPXimpact during the year is £79k (22/23: £257k) which was paid to TPXimpact for the continued support of the website.

The charity received unrestricted donations from eight (22/23: nine) Trustees totalling £1,772,47 (22/23: £1,685.79).

During the financial year, the charity charged ALUK Trading Ltd £37k (22/23: £17k) for provision of staff and £115k (22/23: £58k) for expenses incurred on behalf of the subsidiary. Additionally, the charity collected £81k (22/23 £110k) of income on behalf of ALUK Trading Ltd.

At 30th June 2024, ALUK Trading Ltd owed the charity £258k (22/23: £38k).

There are no other disclosable related party transactions other than those disclosed in Note 10.

22. Grants awards during the year

During the year the Trustees awarded the following research grants.

Grant amount £000's	Awarded to	Grant duration
90	Dr Deborah Morris-Rosendahl	24 Months
96	Dr Michael Bennett	24 Months
99	Dr Amlan Chakraborty	12 Months
97	Dr Aref Kyyaly	24 Months
100	Bohee Lee	12 Months
86	Ms Gillian Doe	24 Months
100	Dr Justine Devulder	12 Months
100	Dr Richard Hewitt	24 Months
99	Rachel Walters	12 Months
30	Nour Odeh	48 Months
335	Prof Stefan Marciniak	36 Months
86	Ahmed Edris	12 Months
99	Dr Arietta Spinou	12 Months
100	Dr Franz Puttur	24 Months
99	Jodie Ackland	24 Months
100	Dr Laurence Pearmain	24 Months
98	Dr Rebecca Nightingale	24 Months
64	Dr Ran Wang	24 Months
99	Dr Steven Cass	12 Months
30	Alex Chan	60 Months
30	Aleksandra Gawlik-Lipinski	48 Months
30	Christine Mwasuku	24 Months
676	Prof Dean Fennell	36 Months
156	Dr Antonia Pritchard	24 Months
40	Glenn Mason	12 Months
2,938	Total research grants awarded	

Non-Research grants awarded:

Grant amount £000's	Awarded to
431	Humanly
90	Our Future Health
521	Total non research grants awarded

23. Grants received

In accordance with agreements entered into with grantors, the charity acknowledges the receipt of the following grants included within the total in the statement of financial activities.

Incoming resources 2024 £000's	Funder	Purpose of funding
511	BEIS/MRC: UK Government Covid Medical Research	A+LUK Research
257	Impact on Urban Health	Fairer Air
257	Victor Dahdelah Charitable Fund	A+LUK Research
162	Clean Air Fund & Impact on Urban Health	Healthy Air
151	BUPA Foundation	Clean Air – Schools Engagement
110	Astra Zeneca	Respiratory Champions
88	Sport England CwA	Physical Activity
124	CAF: Clean Air Community Mobilisation	Clean air in the city – supports our regional clean air work in key cities such as Manchester, Birmingham and Glasgow etc (expansion and development of previous partnership)
42	LifeArc	LifeArc Bronchiectasis Co-Ordinator
35	IPAC	Green Inhalers
30	Various establishments	Sex Hormones & Asthma
643	Various establishments	Various purposes – COPD, ALUK research etc
250	The Postcode Care Trust	Unrestricted grant
2,660		

24. SOFA split for prior year (2023) between unrestricted, restricted and endowment

	Unrestricted funds £000's	Restricted funds £000's	Endowment funds £000's	30 June 2023 total funds £000's
Income from:				
Donations and legacies	5,979	6,083	–	12,062
Charitable activities	146	1,527	–	1,673
Other trading activities	352	25	–	377
Investments	142	409	44	595
Total income	6,619	8,044	44	14,707
Expenditure on:				
Expenditure on raising donations and legacies	4,713	320	–	5,033
Investment management costs	28	97	10	135
Total expenditure on raising funds	4,741	417	10	5,168
Net incoming resources available for charitable application	1,878	7,627	34	9,539
Charitable activities:				
Research	2,992	9	–	3,001
Improving care	2,338	601	–	2,939
Advice and support	3,501	335	–	3,836
Total expenditure on charitable activities	8,831	945	–	9,776
Total expenditure	13,572	1,362	10	14,944
Net income/(expenditure) before investment gains	(6,953)	6,682	34	(237)
Gains/(losses) on investment funds	(32)	616	42	626
Gains on investment assets	–	–	–	–
Net income/(expenditure)	(6,985)	7,298	76	389
Transfers between funds	8,424	(8,218)	(206)	–
Net movement in funds	1,439	(920)	(130)	389
Reconciliation of funds:				
Fund balances brought forward at 1 July 2022	4,427	5,111	3,624	13,162
Net movement in funds	1,439	(920)	(130)	389
Funds acquired on merger with Asthma UK				
Fund balances carried forward at 30 June 2023	5,866	4,191	3,494	13,551

25. Post balance sheet events

There are no post balance sheet events.

Company information

Company name

Asthma and Lung UK stylised as
“Asthma + Lung UK”.

Company number

01863614 (England and Wales)
005851F (Isle of Man)

Charity name

Asthma and Lung UK (since February 2022), stylised as
“Asthma + Lung UK”.

Previous names

Asthma UK and British Lung Foundation Partnership
(January 2020 to February 2022)
Asthma UK (Up until January 2020)
British Lung Foundation (Up until January 2020)

Charity number 326730 (England and Wales)
SC038415 (Scotland) 1177 (Isle of Man)

Presidents

Professor Sir Michael Marmot
The RT Hon Sir John Major, KG, CH

Patron

HRH The Duchess of Gloucester, GCVO

Trustees

Tamara Ingram, OBE – Chair
Professor Ian Hall – Vice Chair
John Graham – Chair of the Finance and Audit
Committee (resigned June 2024)
Jim Bowes – Chair of the People and Governance
Committee
John Hannaford – Chair of the Finance and Audit
Committee (appointed June 2024)
Niren Patel
Katherine Morgan
Professor Ian Sabroe
Caroline Cartellieri Karlsen
Michael O'Connor, OBE
Victor Cholij
Professor David Lomas (appointed January 2024)
Doctor Tom Hodson (appointed April 2024)

Company Secretary

Ben Clarkson (Resigned June 2024)
Sarah Sleet (Appointed June 2024)

Key senior management

Sarah Woolnough
Chief Executive (resigned December 2023)
Sarah Sleet
Chief Executive (appointed April 2024)
Ben Clarkson
Chief Operating Officer (resigned June 2024)
Henry Gregg
Director of External Affairs
James Culling
Director of Fundraising and Engagement
Mike McKeivitt
Director of Services
Dr Samantha Walker
Director of Research and Innovation

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London

Auditors

Crowe U.K.
55 Ludgate Hill
London

Solicitors

Bates Wells LLP
10 Queen Street Place
London

Investment managers

CCLA
1 Angel Lane
London EC4R 3AB

Registered office address

The White Chapel Building
10 Whitechapel High Street
London E1 8QS

www.asthmaandlung.org.uk

Asthma + Lung UK

The White Chapel Building
10 Whitechapel High Street
London SE1 8QS

0300 222 5800

info@asthmaandlung.org.uk

AsthmaAndLung.org.uk



Asthma and Lung UK is a charitable company limited by guarantee with company registration number 01863614, with registered charity number 326730 in England and Wales, SC038415 in Scotland, and 1177 in the Isle of Man.

Asthma and Lung UK

England & Wales - Charity number 326730

Accounts



**ASTHMA+
LUNG UK**

Asthma + Lung UK
Annual Report
and Financial Statements
2022–23

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Asthma + Lung UK is the lung health charity fighting for everyone's right to breathe.



Our vision is a world where everyone has healthy lungs.



Our mission is to drive the transformation of lung health.



Our support helps people who struggle to breathe manage their lung conditions and live well.



Our world-leading research finds new ways to prevent, treat and cure lung conditions.



Our campaigns help make vital, lasting changes.

A charitable company limited by guarantee with Company number: 01863614
Registered address: The White Chapel Building, 10 Whitechapel High Street, E1 8QS

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Registered with the Isle of Man Government with Charity number: 1177

OUR VALUES

1

We have courage.

2

We always push for better.

3

We empower our people to be their best.

4

We work as one.

5

We listen and understand.

Letter from the Chair of Trustees

Just the other day, I was told about a distressed man newly diagnosed with idiopathic pulmonary fibrosis who had contacted the Asthma + Lung UK helpline for advice. He had been informed that his life expectancy was just three years. But, in the same conversation, he had been told that the waiting list for him to see a specialist consultant was over a year. This is one of many stories I've heard from the frontline teams that illustrate both the challenges of living with an incurable lung disease and the need for the support and advocacy provided by Asthma + Lung UK.

Asthma + Lung UK works with urgency to identify gaps in service provision, step in, support and advocate for the community of people living with lung conditions. Lung conditions are the third biggest killer in the UK, yet only attract 2% of the public health research budget. The UK has the worst outcomes for lung conditions in the whole of Western Europe and they disproportionately affect the most disadvantaged, with those in the poorest areas five times more likely to die of COPD and three times more likely to die of asthma – the largest difference caused by disadvantage of any major health condition. Lung conditions disproportionately impact the homeless, people living in substandard housing, women and people of colour. Yet there are barriers to accessing extra support, no free prescriptions, and no immediate qualification for enhanced benefits. It is undoubtedly tough to live with lung disease, and Asthma + Lung UK is unique amongst respiratory charities in representing all people living with any lung disease anywhere in the UK.

I have enjoyed working with Sarah Woolnough, the Chief Executive, and we will miss her as she moves on to become the Chief Executive of the King's Fund. She will be a tough act to follow. Her legacy is the remarkable team that she has led and recruited, a team that works at every level to fight effectively for lung health with passion, commitment, energy and enthusiasm. This report puts a spotlight on some (but not all) of the charity's achievements in the first full year of its strategic cycle. There is plenty more to come.



Tamara Ingram, OBE
Chair of Trustees, Asthma + Lung UK

Statement from the Chief Executive

This year we have focused on delivering our ambitious strategy to transform lung health. I am delighted at the progress we have made.

Our new website provides a lifeline to the 8.6 million visits from people coming in search of health advice. We have updated much of our lung health content, ensuring information is accurate, engaging and easy to find. We have more video content and practical self-management plans to help people living with lung conditions stay well and out of hospital; a core component of our strategy.

We will only transform lung health if we can find better ways to prevent, diagnose and treat disease. I'm thrilled that we have made a major investment in research to find new and more effective ways to diagnose lung conditions. Many supporters tell us they waited years to get a formal diagnosis and their lung conditions worsened consequently. We hope the 11 projects we have funded will yield new ways to speed up diagnosis of disease at an earlier stage, when treatment is likely to be more effective.

Stark health inequalities across the UK lead to worse health outcomes in deprived communities and for certain groups. Our strategy commits us to help improve everyone's lung health, and we've made important progress in this work. Through our helpline, support groups and other outreach activities we know many of our supporters are struggling with the cost of living. We updated our financial advice, and have taken the concerns of many – for example around the cost of prescriptions and the running of breathing assistance equipment at home – to government to campaign for further financial support. We commissioned updated analysis on the cost of lung ill-health to the NHS and broader society, and the economic benefits of delivering the fundamentals of good treatment and care consistently. We will be using this to raise the profile of lung health ahead of a General Election.

I was delighted to take on the role of Chair of the Healthy Air Coalition (HAC), a group of 27 health, environmental and transport organisations campaigning for clean air. Toxic air exacerbates existing lung conditions leading to asthma attacks, COPD flare-ups and increased hospitalisation. Air pollution also plays a role in the development of lung conditions including lung cancers. Both the HAC and Asthma + Lung UK have had a busy year campaigning for clean air measures including clean air zones in major cities. We were pleased to see the expansion of the ULEZ to outer London in the summer.

To deliver for the 12 million who will experience a lung condition over their lifetime, we want Asthma + Lung UK to be the best organisation it can, with strong values and an inclusive culture.

We've worked hard this year to make that a reality. We held our first ever volunteer conference to recognise the wonderful contribution of the thousands of volunteers who support our work – from storytellers sharing their experience of lung conditions, to those who run our support groups.

We couldn't deliver our strategy without exceptionally generous financial support. I want to pay tribute to the many corporate partners, trusts and thousands of individuals who have raised money for us this year, many in honour of a loved one. A particular highlight was the two London Marathons held across the year, where we supported the largest group of runners in our history. As ever it was a privilege to cheer for 'Team Breathe' around the course.

We are indebted to our Trustees who offer their time, support and challenge to ensure the charity is well run. We said goodbye to Baroness Tessa Blackstone, Professor Edwin Chilvers and Dr Isabel Divanna, and welcomed Victor Cholij to the Board.

Finally, on a personal note: after three hectic, happy years as Chief Executive of this inspirational charity, I am moving on to take a Chief Executive position elsewhere. I know that the charity will continue going from strength to strength as it grows and helps more and more people. I will watch its future development with interest, pride and happy satisfaction.



A handwritten signature in white ink that reads "Sarah Woolnough".

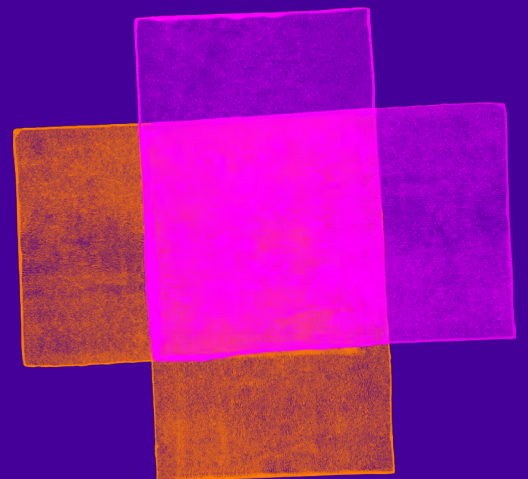
Sarah Woolnough
Chief Executive, Asthma + Lung UK

STRATEGIC REPORT

Who we are

Asthma + Lung UK is the UK's leading lung charity, here to support the 12 million people in the UK who will have a lung condition during their lifetime. Whether it's asthma, chronic obstructive pulmonary disease (COPD) or rarer conditions like bronchiectasis and idiopathic pulmonary fibrosis (IPF), we're here to provide expert advice and support through our helpline, support groups and website health advice. We fund groundbreaking research into new treatments, and we campaign for cleaner air and better diagnosis and care so that everyone with a lung condition can live their life well.

Asthma + Lung UK was launched as a new brand and with a new strategy in February 2022, following the merger of two charities – Asthma UK and the British Lung Foundation in January 2020.





**Lung
conditions
are the third
biggest killer
in the UK.**

Our strategy

For too long, lung health has been sidelined, under-treated and under-resourced. Lung conditions are the third biggest cause of death in the UK: we have the worst death rates in Western Europe, and hospital admissions for people with lung conditions are rising and are set to continue to rise.

Too many people are forced to breathe in toxic air, which exacerbates their existing lung conditions and causes new conditions to develop. There are also misconceptions that illnesses like asthma, bronchiectasis and COPD are not life-threatening or serious, preventing people from getting timely and effective diagnosis and treatment. **And despite all this, less than 2% of all publicly funded research in the UK is spent on finding cures and treatments for lung conditions.**

Our new strategy set out our plans over the next five years to tackle this and transform the nation's lung health. We've committed to doing this by:

Offering all people with lung conditions information, advice and ongoing support when they are diagnosed, and ensuring we will be there during crisis when they need us most.

Raising awareness of the seriousness of lung conditions and tackling negative attitudes that have seen lung health neglected and held back progress for so long.

Funding the best science and brightest minds to find new solutions to the biggest challenges in lung prevention, diagnosis, treatment and management – and campaign for the government to triple its funding for UK lung research.

Campaigning for change to improve the lives of people with lung conditions, including urging government and funders to clean up air pollution, provide better access to care and tackle health inequalities. We will bring together all those affected by lung conditions to make sure their voices are heard by decision-makers, and we won't stop until lung health is given the same priority as other conditions.

Through this work, and with the support of governments, funders, other charities and our incredible campaigners, volunteers and supporters, by 2027 our ambition is that:

Public funding for lung research will have tripled to £150 million each year.

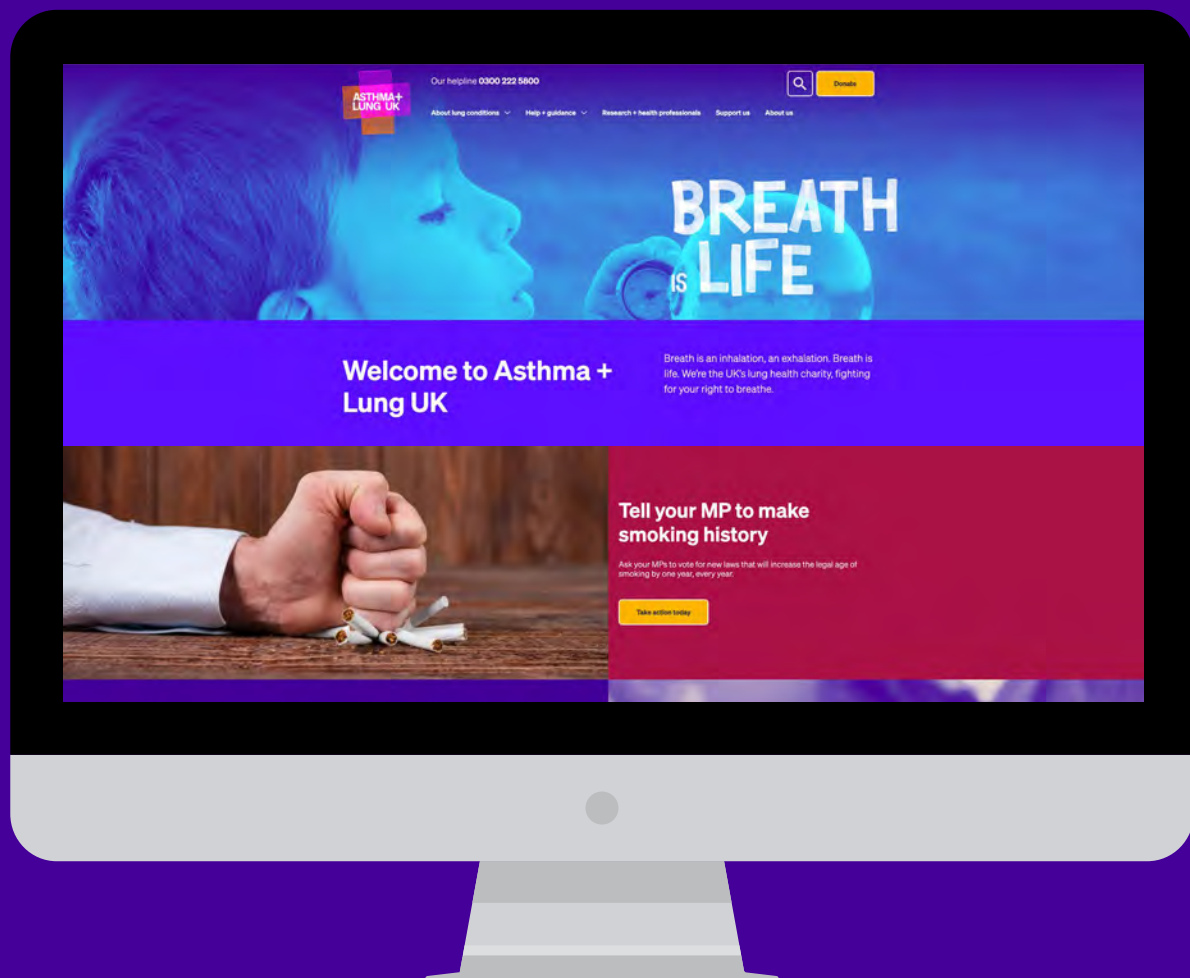
- Hospital admissions linked to spikes in air pollution and the number of early deaths linked to long-term exposure will have reduced.
- Unplanned hospital admissions and A&E visits for asthma and COPD will have dropped by 40% and 30% respectively.
- Public awareness of the seriousness of lung conditions – and signs and symptoms – will have improved.
- New methods will have been developed to diagnose lung conditions with greater accuracy and speed.

Our impact in 2022–23

We launched a new website which brings together all our free-to-use information and guidance for people living with lung conditions in a clear, easy to navigate format. This has received enthusiastic praise from our service users. Significantly, we recorded more than 8.6 million visits to our health advice pages and more than 130,000 hits to our 'Keeping active with a lung condition' pages.

The period July 2022 to June 2023 provided a tough environment for people living with lung conditions, due to the lasting impact of the COVID-19 pandemic and the ongoing cost-of-living crisis. This was reflected in the work of our helpline team, who took some 26,000 queries in the year from people affected by a lung condition.

We were able to use our learnings from the pandemic to revisit the model of our support groups. We now also fund 10 online support groups as well as 140 in-person groups. The online groups operate on the same principles of self-referral, provision of safe spaces for people to talk through their personal experiences and including carers as well as people living with lung conditions. But the online format also allows for themed groups to be set up and extend membership beyond the UK national borders, with people participating in online groups from continental Europe and the United States.



We held a diagnostics research call to find projects leading to earlier and more accurate diagnosis for lung conditions. We awarded some £1.9 million to support 11 projects for improving diagnosis. As well as supporting institutional research projects, we opened the call to innovative entrepreneurs and have supported promising projects that will accelerate bringing products to the market that will make a real difference to diagnosis.

We have set up the Lung Research and Innovation Group (LRIG), a coalition of 18 health charities, healthcare and research organisations to coordinate and prioritise studies into lung conditions across the UK. The group plays a role in lobbying industry leaders and politicians to keep funding for lung health as a high priority.

Thanks to our influencing work to raise the profile of lung health, respiratory health has been prioritised within the government's new Major Conditions Strategy. We will now be campaigning with our supporters to make sure the strategy delivers ambitious change for people with lung conditions.

Our campaign for clean air went from strength to strength with enhanced targets for clean air included in the DEFRA Environmental Improvement Plan 2023. We have also campaigned and supported local authorities in the implementation of clean air zones in Bradford, Bristol, Sheffield and Glasgow.

Our work promoting better air quality led to the expansion of our Clean Air Champions scheme in primary schools from 29 schools at the end of June 2022 to 190 in June 2023. This engagement project involves empowering students to take action on air pollution by educating them about the dangers of air pollution and giving them tangible actions to take. We have also been providing primary school pupils with equipment for monitoring air quality immediately around their school and putting them in a position of designing responses for improving air quality in their environment.

In the Devolved Nations, we have built on earlier work to meet more parliamentarians than ever before, launched new reports such as the 'Raising the bar: Improving asthma care in Wales' report, led the Healthy Air Coalition to deliver world-leading legislation and initiatives such as the Glasgow Low Emission Zone, and used innovative campaign techniques to increase the profile of respiratory conditions with civil servants in Northern Ireland despite the absence of a government.

Despite a difficult fundraising environment, we recorded a 6% increase in income during the year from £13.9 million to £14.7 million. We are hugely grateful for the enthusiasm and creativity of all who raised money for us, including the outstanding contribution from Mr Diven Halai, who became the first person to complete the London Marathon with a 7kg oxygen tank strapped to his back in October 2022, raising more than £20,000 for us as a result.



**190 primary
schools took
part in our
Clean Air
Champions
scheme**

ACHIEVEMENTS AND PERFORMANCE

Services

Much of our work is focused on empowering people living with lung disease to manage their condition, to improve the quality and length of their lives and keep them out of hospital. Our services team empower people in three ways: by offering advice on our website, offering a helpline so that people can talk directly to us, and supporting self-help groups up and down the country. This vital service supplements, but doesn't replace the work of dedicated healthcare professionals, providing a potential lifeline to all those who contact us.

Our health advice service

In March 2023 we relaunched our website, making it easier to navigate and download information. We revisited all our health advice pages, including our asthma and COPD management plans, to ensure that they recommend best clinical practice and have been signed off by experts in lung health following a peer review. These pages gathered a total of more than 8.6 million hits during the year.

Many people living with lung conditions struggle with physical activity as they frequently become out of breath, but study after study has shown that physical activity, tailored to specific lung conditions, provides huge benefits. We offer our service users a range of exercise advice videos to show simple, practical and safe exercise routines from a lung physiotherapist. These pages are very popular and during the year were visited on more than 130,000 occasions.



Our helpline

Our helpline attracted some 26,000 queries during the year, providing us with a very clear picture of what people living with lung conditions really need. Our team is equipped to deal with every lung condition: we can provide advice and assurance, help people understand the questions they should ask their doctor and explain the meaning, in plain terms, of what they have been told. The team can also signpost people to resources to help them navigate the benefits system.



Comments made to us by users of the helpline included:

“ Jenny on your helpline was amazing last week with some advice to me as an asthmatic recovering from a hospital stay with bacterial pneumonia. Her advice meant I ended up at the GP and did need to be seen again as the new symptoms I was having needed to be reviewed. It is an amazing service you offer. Thank you! ”

“ Thank you to the lovely advice line nurse I spoke to yesterday at 4.35pm. I was feeling especially down and frustrated, and she was so reassuring and caring. I will follow up on what she told me, and it has given me more ammunition for when I (eventually) get to see my consultant again. Thank you for being there for us, it is much appreciated. ”

As well as offering clinical advice, we have a team of non-clinical advisers who can offer practical advice about living with a lung condition such as welfare benefits. Given the current cost of living crisis, our advisors have been able to offer lots of advice around fuel poverty.

Working on the helpline is both intensely rewarding and can be highly stressful. The team receive regular counselling, both individually and as a full team, and processes are in place so that individual helpline advisors can pass a call onto a colleague if things are getting too difficult.

Claire, a specialist respiratory nurse, has worked on the Asthma + Lung UK helpline for the past five years.



On the helpline, we encounter a multitude of calls related to lung health, each with its own unique story.

Recently, I spoke with a woman who was in distress after being diagnosed with COPD. She had been left uninformed or perhaps misunderstood the information given to her. Seeking answers, she turned to the internet and was met with a devastating misconception – the belief that her time on this earth was limited to mere months.

Her voice trembled with tears as she asked me how to break this news to her children. Through gentle questioning, I discovered that her condition was actually mild, with few symptoms and no prescribed medication. I provided her with clear information about COPD and the best ways to manage it, directing her to our reliable website.

By the end of our conversation, her fear had dissipated. She expressed immense relief and a newfound understanding that her life was far from over. With the right mindset and

proper care, she could live well for a long time, embracing the joy and vitality that awaited her.

It is wonderfully fulfilling to make a difference to callers who may be experiencing difficulties and facing uncertainties related to their lung condition. I feel privileged to be able to provide them with advice on managing their symptoms, explaining medical terminology, and providing emotional support, thus empowering them to cope better with their lung conditions.

Being a respiratory nurse on the Asthma + Lung UK helpline is emotionally demanding. Talking pretty much every day with people who are going through difficult circumstances such as chronic conditions, including end of life issues. With the current economic uncertainty, a lot of our callers are worried not just by their health, but how they make choices between paying for their medicine, heating their homes and feeding their families.

Hearing stories of pain, fear and sadness weighs heavily on our hearts. But we do have support systems in place and as a team, have developed coping mechanisms which all help us manage the emotional toll of the role. The helpline team is very close-knit with strong professional relationships. Additionally, we have regular debriefings, access to professional counselling, clinical and emotional supervision, and self-care practices such as exercise, meditation, even singing! All of which have been crucial in maintaining my personal wellbeing.

The rewards of helping people are tremendous and keep me committed and motivated to continue to assist everyone contacting Asthma + Lung UK. I know that a simple contact on the helpline can bring comfort to someone in distress and inspire them to take control of their lung health. And knowing that I'm making that difference is just the best feeling!

Our support groups

Our online support group offering has gone from strength to strength, with many service users now bookending their weeks with Motivational Mondays (singing and vocal exercises tailored for lung health) and Feel Good Fridays (Zumba dance classes suitable for every level of fitness). In between, we run groups that bring together people suffering with specific conditions such as bronchiectasis, COPD and Long COVID. These sessions are designed to be fun as well as instructive, with many now having waiting lists due to popular demand.

We are delighted to have received very positive feedback about the groups from our group members:

“ Playing the harmonica has made a great difference to my ability to breathe more easily. I have attended five sessions and after three was already noticing a difference. After four sessions I was walking my normal 45 minute walk in 30 mins! As my dog seemed a bit miffed he was out for so short a time and, having had my fifth session on the harmonica, on Sunday I walked the furthest I have walked in three years. ”



“ I wanted to repeat what I said in this morning’s session. I have become quite dependent on these classes, both the Motivational Mondays and the Feel Good Fridays. My breathing and general health have been so much better with everything that we learn and do. The exercises are accessible and I am able to use what I’ve learned in my daily routine.

In addition, it is so enjoyable too, which is amazing considering that I was very nervous of Zoom to start with and shy of speaking out. Thank you to all the staff at Ashma and Lung UK for providing these great classes for us. ”

Our Singing for Lung Health network has been supported by the Mintz family. The network is run by specially trained freelance singing instructors. The breathing exercises help to control your feelings of breathlessness and coordinate your breath movement, while warming up helps the voice get ready for singing.

“ Chris’ sessions also have played a part in my mental wellbeing. COPD and Covid were a shock. Chris has an empathy, is very caring as to how the group respond to his sessions and makes sure everyone knows that they can do as little or as much as they feel they can manage. The groups are a lot of fun without being too taxing and the tunes we have learnt have obviously been designed with that in mind. Chris is fun and funny, he motivates with his personality – you cannot feel down whilst he is on stage. ”

For many people, the value of the support groups includes the face-to-face contact with others, and our 140 local support groups help get people out of their homes and socialising with others. Living with a lung disease can be isolating, affecting both your mobility and confidence. Finding out you are not alone and meeting new friends who face similar challenges can help you take ownership of your health conditions.



**Our support
groups
bring people
with lung
conditions
together.**

We were delighted that Victor Cholij, who lives with COPD (emphysema), joined our board of Trustees in June 2023, bringing a new perspective to discussions about lung health. Victor has run the North Staffordshire support group in Stoke-on-Trent since January 2023.

Victor recounts his experience in re-energising the North Staffordshire Breathe Easy group after the pandemic.



I was diagnosed with COPD in 2020 just as the lockdowns began. I initially found support online from the Asthma + Lung UK website, but I felt I wanted to meet and talk with fellow sufferers. In 2022, I found the North Staffordshire Breathe Easy group. The group has been going some twenty years but, unsurprisingly, it had lost some of its momentum during the pandemic as so many people living with lung conditions had to shield. I was motivated (okay persuaded!) to try and help them rebuild the group.

The first challenge was to find a new meeting venue since the library that the group had used for many years was closing. Luckily, a central town supermarket had a suitable community room that we could adopt. Parking, easy access, tea facilities and good air quality are all important factors to consider!

I then needed to capture from the members what they really wanted from the group; I was new and it was their group, not mine! I sent out a questionnaire and got enough replies to enable me to confirm the priorities with the active members. This was important to give me the confidence to plan the right speakers and activities. We focus on self-management and good days out!

I also introduced a newsletter that summarises our meetings (speaker notes and announcements) each month. This has been very well received as there are always members who are too unwell to join us each month, and this ensures that no member feels excluded.

There are some 35,000 people in North Staffordshire with asthma or COPD. A key task for us was to try to ensure that these people all knew that we were here to support them if needed. The routes we prioritised were

advertising through the GPs and the Community Respiratory team.

With the help of Asthma + Lung UK, we created newly branded posters and leaflets with our details. These were then sent out to all 96 GPs in North Staffordshire, accompanied by an article that we managed to get included in that week's GP bulletin from the integrated care board (ICB) promoting the benefits of our support group. We also presented our group to the local network of social prescribers – it is most often they who signpost patients in our direction from their primary care networks.

We've been present at awareness days, conferences and voluntary sector events, and distributed posters and leaflets at shops and libraries.

With the continuous great support from the respiratory nurses present at all our meetings, and the fresh enthusiasm of the newer members, the group has re-found its momentum.

Since May we have had one or two new members signing up each month, and our active membership list is around 40 members. Attendance has more than doubled to 20 members, despite some of our original older members now being too unwell to join us in person.

We plan to continue growing! We are strengthening our links with the community and hospital services, and we have plans to expand our services next year with a weekly exercise class.

It has been a real honour to help rejuvenate the North Staffordshire Breathe Easy group and ensure the continuation of their tremendous work of support in the local community.

Research and innovation

The importance of early, accurate diagnosis

Diagnosing lung illnesses is difficult and relatively expensive. But the UK record for accurate timely diagnosis is troubling. In our survey, we found that 25% of new asthma diagnoses took longer than a year, 25% of new COPD diagnoses took longer than five years – and for less common conditions, the picture is even worse.

The impact of taking so long to reach a diagnosis and start managing the condition is difficult to understand or calculate. But it includes the loss of working days, the impact on NHS provision, the suffering of the individual and their loved ones, and early deaths.

Sarah, who lives in Berkshire, first noticed that she was getting out of breath more than usual in April 2015.



She found she was breathless running to the station, and it started to get worse. When she went to her GP, she was offered spirometry testing, but her results were normal and no more action was taken despite her symptoms not getting better.

Nearly two years later, she was told she had asthma and prescribed inhalers. But her asthma nurse cast doubt on the diagnosis when none of the drugs were helping to control her symptoms.

By 2018, things were much worse. Sarah could hardly walk uphill without getting out of breath. A new GP finally suggested she might have scleroderma – a rare condition which can cause lung tissue to stiffen. She had further respiratory and cardiac tests including a CT scan, which showed scarring on her lungs. However, delays meant that she didn't get to see a specialist.

It wasn't until later that year that Sarah was finally seen by a heart consultant. By now, she got out of breath just walking and had to give up

the job she loved as a care worker for people with dementia. With the right cardiac tests, she was at last diagnosed with pulmonary arterial hypertension.

Sarah now uses oxygen at home to manage her breathlessness. She says: "I was told that I'd have had a better response to treatment if I'd been diagnosed earlier. I'm angry that the health service missed so many opportunities to fully investigate what was wrong, even though they had all the equipment ready to do the tests and my symptoms were only getting worse. I just felt like there was no one there for me."



**We invested
£1.9 million
in research
to improve
diagnostics.**

keep this
at for David
Varsha
@hluk

We launched a research funding round in October 2022 looking for projects that can be delivered quickly to help improve diagnostics. We funded a total of 11 projects awarding grants of some £1.9 million.

One of the most exciting of these projects will be working on improving COPD diagnosis with a simple device called N-Tidal. Currently, COPD is diagnosed through spirometry tests which measure how much air you can breathe in one forced breath, but these tests are complex and have to be administered by qualified healthcare professionals. The N-Tidal device is much simpler and measures the levels of carbon dioxide (CO₂) in a person's breath, and we are working with researchers to test a hypothesis that this will enable the detection of COPD at an early stage. We are working with a commercial consortium on this product as if it proves successful, they will be able to bring this rapidly to market.

Accelerating change

Asthma + Lung UK was itself formed by the merger of two charities (Asthma UK and the British Lung Foundation) and we have a long history of working across the sector, having set up the Taskforce for Lung Health and providing the secretariat to the Healthy Air Coalition.

We are now applying the same principles to research and have set up the Lung Research and Innovation Group (LRIG). The inaugural meeting, held in October 2022, attracted representatives from 18 organisations including other charities, medical research funders and the NHS.

Campaigning for lung health to be taken seriously

Thanks to our influencing work to raise the profile of lung health, respiratory has been prioritised within the government's new Major Conditions Strategy, and we will now be campaigning with our supporters to make sure it delivers ambitious change for people with lung conditions. We continued to play a leading role this year to drive forward the NHS Long Term Plan commitments on lung health and challenge government with our bold reports on health inequalities and diagnosis.

Our campaign for clean air

Asthma + Lung UK is a member of the Healthy Air Coalition – a group of 27 charities and non-governmental organisations that work collaboratively to improve air quality, strengthen legislation and reduce the burden on society of living and breathing poor quality air.

During the year, Asthma + Lung UK took on the role of hosting the group, relaunching the group's strategy and providing secretariat and governance support to the group, while campaigning alongside the other organisations on the multiple benefits to health, social conditions and the environment on decreasing air-borne pollution.

The impact of our campaigning, coupled with that of the coalition, has been tremendous, leading to the adoption of enhanced air pollution targets in the DEFRA environmental strategy and the implementation and expansion of clean air zones in cities including Bradford, Bristol, Sheffield and Glasgow.

Clean Air Champions in primary schools

During the year, we grew the network of schools participating in the Clean Air Champions scheme from 29 schools in July 2022 to 190 schools in June 2023. The network of schools is UK-wide with the highest numbers in London and north-west England, both areas with significant air pollution issues. The results of air pollution monitoring were plotted on a map and indicate that air quality near to primary schools, even in rural areas, is worse than the local average.

The school pupils involved have helped organise events in their schools and local communities to highlight the problem. They are proving to be enthusiastically tireless campaigners and have organised a range of activities in line with the scheme action of raising awareness of the issue, taking campaigning actions, and organising fundraising activities such as walk to school weeks. Some schools have been more creative with their actions, with one school creating Top Trump cards featuring 'air pollution monsters' that they created, and several Clean Air Champions schools taking part in a visit to Downing Street with Sarah Woolnough, Chief Executive of Asthma + Lung UK, in May 2023, where they spent an hour with two of the Prime Minister's advisors to talk about lung health, clean air and what we wanted to see in the Major Conditions Strategy.

Working with the devolved governments

We continue to work with parliamentarians in the Northern Ireland Assembly, Scottish Parliament and Welsh Parliament (Senedd) to improve respiratory services and fight for clean air. We hosted three parliamentary receptions, hosted 16 cross-party/all-party groups, attended the Liberal Democrat, Conservative and Labour party conferences, and held 324 parliamentary meetings. Highlights include the introduction of the Environment Bill in the Senedd in March 2023, the rolling of the Low Emission Zone to cars in Glasgow in May 2023, and the Northern Ireland Department of Health establishing a respiratory forum to develop a new Respiratory Health Plan.

To raise awareness of air pollution in Glasgow, we worked with local potter, Ruth Impey, and the City of Glasgow College on producing a 'smogware' tea service. Students at the college gathered samples of foul-smelling toxic pollution by-products by scraping the sooty deposits off the roadsides. The materials they gathered were then incorporated into a ceramic glaze and applied



10

ASTHMA+
LUNG UK

Be the
solution

ASTHMA+
LUNG UK

43,000
reasons
to act

Toxic air
affects
us all

to cups and saucers by the students and artists involved, with the intention of showing how something beautiful can be made from discarded contaminants. The resulting fired ceramics are safe to use and show the individual responses of the artists to the materials used, and have supported our objective of raising awareness of the impact of toxic air

Our heroes

The contribution of volunteers and individual fundraisers has been truly inspirational.

Inspirational volunteers

We work with some 200 people voluntarily leading our support groups, and some 300 volunteer patient participants who sit on panels and help to steer our work. Many of our volunteers are people who live with lung conditions and bring energy, enthusiasm and a sense of urgency to everything we do.

In June 2023, we hosted our annual volunteer conference – a hybrid event (face to face and with an option to join virtually) to ensure maximum engagement with a diverse group of volunteers and staff. The volunteer conference gave us a chance to learn from our volunteers as they discussed best practice, and culminated in an awards ceremony in which we honoured the personal contributions of 10 volunteers.

“ Certificate safely received, together with a very complimentary covering letter! My wife wants to crochet a frame for it, so I'll send a picture if it works out. This was a really unexpected surprise and on my birthday, too! I'm sorry I missed the event (flare-up of one of my chronic conditions) – I had never imagined in my wildest dreams that I would be in line for an award! I probably saved myself some embarrassment by not being there(!), but I would have liked the opportunity to meet the others. In the meantime, I will continue to enjoy moderating. And please thank everyone who thought to put me forward and vote for me – it really makes me feel appreciated! ”

ASTHMA+
LUNG UK

ASTHMA+
LUNG UK

HTING
LUNG
HEALTH

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ASTHMA+
LUNG UK
VOLUNTEER
AWARDS 2023
We always push for better
award

ASTHMA+
LUNG UK
VOLUNTEER
AWARDS 2023
Winner Tessa Jelen
Award category We always push for better
N. Bekint Date 7 June 2023

Tessa Jelen
Volunteer

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Inspirational fundraisers

To run a marathon under any circumstances is no mean feat, but to run one when living with a chronic lung condition and with an 7kg oxygen tank strapped on your back is pretty super-human. Yet this is what our runner, Diven Halai, did for us.



Diven Halai, 37, was diagnosed with interstitial lung disease (IDL) in 2020. This is how he describes his journey to running the London Marathon.



It's ironic that I was probably the fittest I'd ever been when I first noticed the symptoms of my lung condition. I was climbing the stairs to the train platform on my way to work, but I was completely out of breath. I'd run a half marathon earlier that year – I knew this wasn't right.

It took an incredibly long time to get a diagnosis, despite how debilitating my breathing problems became. It took 18 months after I first noticed symptoms to diagnose interstitial lung disease with diffuse systemic sclerosis, which is an incurable autoimmune condition.

The news was a massive shock. I worried about how I could carry on living a life that I loved, and if my wife and I could start a family.

Having to give up sports had a massive impact on me. I felt isolated, as sport was the focus of my social life. Going onto steroids and immunosuppressants stabilised my lung function and recently I've been able to return to the gym. I've got a personal trainer who understands my condition and I use an oxygen machine when I exercise.

An epic achievement

I ran the London Marathon in October 2022. From the moment I knew I had a place, I didn't know whether to feel frightened or excited. The training was hard and sorting out the oxygen machine logistics was difficult. The training day set up by Asthma + Lung UK really helped with my preparation, as did my colleagues and friends. Taking part in the actual marathon was surreal – the buzz, excitement and nerves all kicking in at once. It was an amazing day; other runners were coming up to me telling me how amazing I was doing and had so many words of encouragement. One person even said: "Can I take a selfie with you to show my friend who has a lung condition to show her anything is possible?" Nothing will beat the feeling of crossing the finish line. My first thought was that I'm happy and proud of what I've done and I've made everyone who supported me – family, friends and everyone who donated (some of who I don't even know) – proud.

A better future ahead

The biggest achievement in my journey has to be the amount of awareness I have raised through talking to people. I was featured in the Metro, the Evening Standard, The Insider and IG Global News which all went viral! I have also raised £20,000 for Asthma + Lung UK and my initial target was only £2,000, and encouraged others to participate in the London Marathon. Everyone has been asking me what's next. Who knows? Time will tell but my work is not done. Losing control over your future is hard but I won't let lung disease beat me.

Diven is of course one of many who have done extraordinary things to support Asthma + Lung UK. During 2022–23 we benefited from two London Marathons, attracting more registered participants than ever before. We want to thank each and every one of them for their efforts in not only running the course of 26 miles but also their energy in fundraising on our behalf.

Collaborating with other charities

The Healthy Air Coalition

During the year Asthma + Lung UK became hosts of the Healthy Air Coalition – a group of 27 charities and non-governmental organisations that work collaboratively to improve air quality, strengthen legislation and reduce the burden on society of living and breathing poor quality air. Asthma + Lung UK relaunched the group’s strategy and provide secretariat and governance support to the group, while campaigning alongside the other organisations on the multiple benefits to health, social conditions and the environment on decreasing air-borne pollution.

Taskforce for Lung Health

The Taskforce for Lung Health is a coalition of 44 members working together to improve the nation’s lung health and the outcomes for patients with lung disease. It seeks to do this by influencing the government, NHS and other officials to implement the 43 policy recommendations in its five-year plan. The Taskforce has worked tirelessly this year to influence policy through its diagnosis, medicines optimisation and workforce working groups.

During the last year, the Taskforce for Lung Health has influenced the publication of a new national patient pathway for breathlessness and supported the expansion of targeted lung health checks to all smokers and ex-smokers aged between 55 and 74, ensuring earlier diagnosis and saving thousands of lives. The Taskforce also commissioned Imperial College London to undertake and publish two pieces of research on COPD prevalence and the length of time it takes to go through the patient pathway for all major lung conditions, so that we can understand delays and variation in time to diagnosis and treatment.

OUR PLANS FOR 2023-4

In the summer of 2023, Asthma + Lung UK worked with PWC to update earlier statistics on the costs of lung health. In September, we published the joint publication: *Investing in breath: reducing the economic cost of lung conditions through increased research and innovation*.

This report estimated the cost of lung disease in a single year, 2019, to the UK economy at an astonishing £188 billion. But money isn't everything. Everyone living with lung disease is paying their own personal price, and the sum of those costs is even greater than the cost to the UK economy – a number so huge it is almost impossible to visualise or make sense of.

Right now, people with lung conditions need to see a drastic improvement. One in five of us will get a lung condition in our lifetime – yet thousands aren't getting the care they desperately need. Below, we've outlined our plans to support everyone struggling to breathe and fight for better care in 2023–24.

Ending the lung health lottery

The UK has the worst outcomes for lung conditions in Western Europe and much of this is connected to deprivation. The poorest people in the country are five times more likely to die of COPD, three and a half times more likely to die of lung cancer, and three times more likely to die of asthma, than the richest people. This gap is the biggest of any of the major conditions and means that lung conditions are more disproportionately impacted by deprivation than any of the other major health conditions.

Over the next year, we will be focusing our efforts in the 20 most deprived areas in the UK. This will include targeted campaigns to raise awareness of our work amongst those who most need us and looking to increase foreign language competencies within our staff.

People of colour are over-represented in the country's most deprived areas. We will also start a project in collaboration with Addenbrookes Hospital for working with people from South Asian communities to improve outreach to people of Pakistani and Bangladeshi heritage.

Keeping people out of hospital

A second strand of work is to place ourselves on the diagnostic pathway with the NHS. We will be piloting from January 2024 an innovative programme where people who are newly diagnosed with a lung condition, and people with existing diagnoses leaving hospital, are put in touch with us. This will enable us to get in touch, and stay in touch, with people who have faced a recent health crisis, and will contribute to reducing hospital readmission.

Keeping lung health on the political agenda

We launched our *Saving Your Breath* campaign in September 2023 to help politicians to understand the importance of respiratory care, take vital action on lung health and make sure lung health is a key theme in the general election. We'll be mobilising all our supporters to do this and working with partners across the UK to campaign for cleaner air, improved NHS services and increased funding for respiratory research.



SAVING YOUR BREATH

How better lung health benefits us all

 Taskforce for Lung Health

 ASTHMA+ LUNG UK

Stamping out smoking for good

We'll be campaigning for a smokefree generation, calling for politicians to support raising the age for the legal purchase of tobacco every year to stamp out smoking for good with new, bold legislation.

Demanding change on diagnosis, treatment and care

We'll continue calling for far more ambitious action to improve diagnosis rates, treatment and care across the country by influencing the government's Major Conditions Strategy and working with people with lung conditions to demand change, as well as working with our partners in the Taskforce for Lung Health.

Closer working with healthcare professionals

It is clear from our asthma survey that access to good basic care for our beneficiaries has dropped substantially since the COVID-19 pandemic. The current pressures on the NHS has resulted in delays in diagnosis, treatment and monitoring of asthma and other lung conditions. The rapidly changing primary care workforce are frequently lacking the skills to manage respiratory patients, and this is adversely affecting patient outcomes.

During the coming year we will be working with healthcare professionals (HCPs) directly to address some of these issues. There is a clear opportunity for Asthma +Lung UK to support this group of HCPs, by producing and curating bespoke resources for them and collaborating with them to promote best clinical practice.



Major new partnerships to support research

During 2022–23, we built a good working relationship with the team at the National Institute of Health Research (NIHR) to get their support for the Life Sciences Vision for the UK. The Vision flags reducing morbidity and mortality from respiratory disease as one of the seven healthcare mission priorities, but to date this is unfunded.

In 2023–24, we will pursue opportunities to increase the funding available for respiratory research at UK Research and Innovation (UKRI) research councils and NIHR to deliver the patient-focused priorities of prevention, diagnosis, new treatments and self-management. We will also support NIHR in its efforts to get government departments to take lung health research seriously and commit funding to the Life Science Vision respiratory mission.

In 2023–24, we will work in partnership with LifeArc to transform respiratory diagnostics by jointly hosting a workshop and publishing a report. The collaborative report will identify both the challenges and potential solutions, leading to insights into how best to direct future research investment. We will also begin a three-year partnership with LifeArc to accelerate bronchiectasis research and raise the profile of this under-diagnosed, misunderstood and overlooked condition.

Improving our working environment

Our lease on our head office ended in August 2023. We reviewed our accommodation requirements in light of the working practices that followed the pandemic and found that by decreasing our floor space, we were able to find a cheaper office space to rent. The new office will be in a recently renovated landmark building with better common facilities, and will have a positive impact for our environmental and sustainability agenda.

FINANCIAL REVIEW

The Trustees present their report and audited financial statements for the year ended 30 June 2023. The financial statements on pages 80 to 82 are prepared in accordance with the Charities SORP and FRS102, and comply with the current statutory requirements.

Overview

Asthma + Lung UK was formed from the merger of Asthma UK and the British Lung Foundation. Following our merger on 1 January 2020 and up until 28 February 2022, we maintained the two separate outward-facing charities of Asthma UK and the British Lung Foundation. Following a period of post-merger integration, we re-launched under a single name and brand.

The rebrand did not have any significant impact on income levels during the year but does have implications for how we manage new donations. This is explained in the section on reserves on page 29. We continue to monitor the reception to our new name and brand to ensure that people can still find us when they need support, and to look for any signs that income is affected.

During the year to 30 June 2023 we raised £14.7 million, up from £13.9 million the previous year. This increase was broadly distributed across a mixture of income lines.

During the year we spent £14.9 million, down from £16.8 million the previous year. The previous year included a planned spend-down of designated and excess free reserves, to bring us into line with our target level, as well as spending down of restricted funds.

Summary of our financial performance in the year to 30 June 2023.

	2022-23 £'000	2021-22 £'000
Total Income	14,707	13,939
Total Expenditure	14,944	16,777
Net spend before investment gains	(237)	(2,838)
Gain/(Loss) in value of investments	626	603
Net movement in funds	389	(2,235)

Overall, the net movement in funds was an increase in total reserves of £0.4 million, compared to a decrease of £2.2 million in 2021–22. Core funds reduced by £0.9m and non-core funds rose by £1.3 million, however, two new designated funds were created to accelerate fundraising and research activities, as shown in note 18 to the financial statements on page 96.

How we spent our money

Total resources expended were £14.9 million, £1.8 million less than the previous year. This decrease is made up of an increase in the cost of generating funds of £0.2 million, and a decrease in charitable expenditure of £2.0 million.

The decrease in charitable expenditure was largely the result of a reduction in new research grants awarded, as the charity recognised the full commitment at the point of awarding the grant. The previous year had been a bumper year for research commitments thanks to generous restricted funding, which came to an end last year.

Our charitable spend focussed on three broad programmes of charitable activity:

- Research: research grants and activity related to the administration of the grants, as well as influencing work to achieve our ambition to triple the amount spent on research into lung conditions in the UK.
- Improving care: our policy and campaigning work, which contributes to our goal of improving access to accurate diagnosis and treatment, reducing health inequalities, and supporting healthcare professionals. This spend also includes raising public awareness of lung conditions
- Advice and support: our patient-facing services, such as our helpline, WhatsApp service, and online health advice. Through these services we aim to keep people well and out of hospital and improve self-management.

The largest single area of charitable spend remains our research programme. We spent £3.0 million on research activity, a decrease of £2 million on the previous year. This included £1.8 million of research grants, compared to £3.8 million the previous year.

Expenditure on improving prevention, diagnosis and care saw a slight decrease to £2.9 million, a decrease of £0.2 million compared with the previous year. This decrease follows the previous year's one-off investment to increase our ability to campaign and influence following the launch of our new strategy.

Meanwhile, expenditure on advice and support saw a slight increase of £0.2 million on the previous year, at £3.8 million.

How we raise our money

Asthma + Lung UK relies almost exclusively on voluntary donations and grants from individuals, trusts, corporates, and statutory bodies. The fundraising environment across all these sectors remains challenging. As the impact of COVID-19 on fundraising has eased and events return, we now face a cost-of-living crisis not seen in a generation and an energy crisis which affects households, business, charities, and public sector bodies alike. We are ever more grateful for the generosity of our donors who continue to support our work despite these challenges. We strive to meet best practice standards in our fundraising activity as defined by regulators and want our supporters to know that we are fundraising responsibly.

Total incoming resources for the year were £14.7 million, up from £13.9 million the previous year. £0.3 million of the increase was through donations and legacies and a further £0.3 million an increase in grants awarded to us.

The cost of raising donations and legacies increased by £0.2 million to £5 million. This increase is in part due to ongoing activity associated with the launch of our new strategy, name, and brand. We invested in our fundraising activities so we can grow our income in future years and ensure we can achieve our mission. The breakdown of this income is shown in note 3 to the accounts on page 82. Unrestricted income grew to £6.6 million from £5.8 million, whilst restricted income remained steady at £8.0 million, only slightly down from £8.1 million in the previous year.

For the purposes of managing our funds, we group unrestricted funds and certain restricted funds together. These are funds where the restriction relates to a particular condition or broad geographic area but which are otherwise akin to general funds that support our core purpose. Core income was £11.7 million, up from £11.0 million in 2021–22. You can also find a detailed explanation of what we mean by core income in the section on reserves, and the figures are shown in more detail in note 18 on page 96. Other restricted income, relating to projects or specific programmes of work, remained at £3.0 million.

Legacies generously left to the charity were £5.0 million this year, £0.1 million down from the previous year when it was £5.1 million. Legacies continue to be a crucial revenue stream and we are extremely grateful to those who leave bequests to the charity, enabling the organisation to achieve its goals. The timing of receipt of legacies has become increasingly difficult to predict over the last few years, mainly due to processing delays associated with the pandemic. The level of legacies notified to us but not certain at the end of June 2023 was approximately £5.4 million, which we believe is a robust amount that gives reasonable assurance as to the continuation of this income stream in the coming year.

Donations from supporters through community activities and events, which includes sporting challenges such as the London Marathon and the Great North Run, amounted to £1.5 million, up from £1.4 million. This increase again owes much to the gradual return of events and community activities as pandemic-related restrictions eased. These contributions come from a huge variety of activities undertaken and supported by thousands of people throughout the year and represent a significant achievement by individuals on behalf of the charity, many of whom are living with a lung condition themselves. We are very grateful for their efforts.

Donations from individuals and corporates rose from £4.3 million to £4.8 million. £0.4 million of this increase is attributable to a multi-year restricted funding commitment which supports a programme of research into mesothelioma. Included in this figure are the donations from individuals through regular giving, in-memoriam, and appeals which remained broadly in line with the previous financial year, making up £3.0 million of the total.

Regular monthly giving remains important in enabling us to plan our work in the context of regular funding and we are grateful to the loyal supporters who give in this way. We are particularly grateful for gifts in memory of a loved one and hope those supporters found this to be a positive way of commemorating a life. We also ran a small number of fundraising appeals. In doing so, we are mindful of public concern as to the method and frequency that the public are asked to donate to charitable causes.

We secured donations from trusts of £0.2 million in the year, £0.2 million lower than the prior year. Trusts continue to support our range of activity including our research programme, provision of health advice through a variety of channels and our work in general to support people with lung conditions. They also support investments in our infrastructure.

Additionally, we have benefited from £0.5 million of gifts in kind, principally relating to the Google Grant programme to support our online marketing.



Efficient running of the organisation: support costs

One of the drivers behind the merger that created Asthma + Lung UK was to reduce the proportion of our expenditure that goes on support costs. By coming together, we are able to be more efficient by reducing our overhead costs and achieving better prices due to our new larger size, as well as by streamlining our processes and systems. We continue to scrutinise spend on support costs to ensure we are spending effectively and services are efficient.

Support costs include the Finance, People, and Technology support services, as well as governance and facilities costs. Total support costs for the year to 30 June 2023 were £4.1 million, up from £4.0 million the previous year. This small increase was largely attributable to inflationary pressures.

During the year, we launched the second phase of a new customer relationship management (CRM) system, as part of a wider programme to move to a single, more modern and efficient system from our two older systems inherited from our predecessor organisations. Our new single system is expected to bring further efficiency, as we will only need to support one system, and improve productivity of our staff. We are grateful to the Fidelity Foundation who generously supported us to make this investment.

Regulatory and compliance requirements continue to increase, and recruitment in the specialisms we require is challenging, and has put upward pressure on budgets, both in terms of salary and recruitment costs. Turnover across all industries has been high following a period of very low turnover during the pandemic. These factors have put pressure on our ability to reduce costs further. Thankfully, turnover reduced and recruitment challenges began to ease through the year.

We allocate support costs across the charity's charitable and fundraising activities to reflect usage by activity on the basis of spend excluding research grant expenditure, as we believe this gives the fairest reflection of how resources have been utilised. Details are shown in note 7 to the financial statements.

Balance sheet

Total net assets at 30 June 2023 were £13.6 million, an increase of £0.4 million on last year. This was in part a result of gains on investments of £0.6 million and a planned increase in spending on fundraising activities of £0.2 million.

Restricted funds, including endowments, have decreased from £8.7 million last year to £7.7 million this year. This is in part due to an increase in unrestricted donations as a result of our rebrand to an all lung health charity. Restricted funds also include a number of funds which are akin to general funds in the sense that they fall under our general charitable purpose, but may be restricted to a particular condition, for example. The largest of these is the restricted fund for asthma.

For the purposes of managing our resources, Asthma + Lung UK groups these restricted funds together with free unrestricted reserves, and it's the total of these funds that we assess through our reserves policy. This is set out in full detail in the section on reserves on page 47. Core funds saw a decrease during the year from £6.3 million to £5.4 million.

After reviewing our forecast closing reserves for the year to 30 June 2023, the Trustees elected to create two new designated funds, closing the fund for strategy and brand work in the process and transferring the balance into the new funds. The first of the new designated funds is a **£750,000 Research Acceleration Fund**, which aligns with our strategic aim to triple the amount spent in the UK on research and innovation into lung conditions. Trustees have also designated a **£250,000 Fundraising Acceleration Fund** in order to invest with a view to growing our income, so that we can reach even more people with a lung condition.

Other designated funds relate to property. Last year the Trustees agreed in principle to dispose of a property that the charity holds on a near-freehold basis. As such, the asset was reclassified as an investment property and was revalued to market value based on its current state of repair. The property was revalued as at 30 June 2023 and, whilst market conditions remain challenging, our valuer concluded it was prudent to maintain the £1.6 million figure held on our balance sheet. During 2023–24 we will be making a fresh effort to market the property for disposal.

Subsidiaries performance

Asthma + Lung UK has four wholly owned subsidiaries: ALUK Trading Limited (formerly BLF Services Limited), Asthma Enterprises, Asthma UK, and BLF Limited, the latter being dormant. Asthma UK and Asthma Enterprises are no longer trading, but are a legacy from our merger.

ALUK Trading Limited is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity. All profits are transferred to the parent charity under the company gift aid scheme.

Asthma Enterprises Limited is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Up until 31 December 2019, Asthma Enterprises Limited was a 100% owned subsidiary of Asthma UK. On this date, Asthma UK merged with the British Lung Foundation, forming the Asthma UK and British Lung Foundation Partnership, and Asthma Enterprises became a 100% owned subsidiary of the merged entity.

Upon the merger of the two charities, the newly merged charity adopted the company and charity registrations of the former British Lung Foundation. To ensure continuity following the merger, the company and charity registrations of Asthma UK were retained as a wholly owned subsidiary. Asthma UK is registered in England and Wales (company number 02422401) and registered with the Charity Commission in England and Wales (registration number 802364).

The results and the year-end financial position of the two active subsidiaries are shown in note 4.

Financial position at the end of the year and outlook

The last few years have been particularly volatile and uncertain for charities and Asthma + Lung UK is no exception. Rising inflation, upward pressure on salaries, and market volatility in relation to the Ukraine war all began to impact the charity towards the end of the 2021–22 year and continued to do so into 2022–23. Whilst there are some signs that the pressure is beginning to ease, such as a more stable recruitment environment, the impact of these pressures is that the money we raise does not go as far as it used to.

However, the charity remains in a healthy position with a cost base that is sustainable, and with reserves to help it survive any significant financial shocks. Trustees set a budget for 2022–23 that planned for a structural deficit on core funds. These are our free unrestricted funds and selected restricted funds which are akin to general funds, which work together to form the core funds upon which the organisation's financial stability depends. This would bring us closer to our target level of reserves. Excluding unrealised gains and losses and fund transfers, the net movement on core funds achieved was a deficit of £1.7 million. After adjusting for unrealised gains on investments and transfers, the net movement in core funds achieved was a deficit of £0.9 million. This includes the £1.0 million transferred to designated funds. This brings us to the planned position of between our minimum and upper target level of core reserves.

The timing of receipt and deployment of restricted funds relating to projects and specific programmes of work varies considerably from year to year, and as funds are only spent once received, the Trustees set a budget based on expected income and expenditure rather than a target net movement in funds.

As we look to 2023–24, the Trustees have set a budget with a plan to broadly break even in terms of core funds. With income and expenditure expected to increase, in line with our financial plan developed as part of our new strategy, this ensures we can sufficiently invest in delivering for people living with a lung condition who need us more than ever. If achieved, this is expected to keep us within or slightly above our target reserves level. We review the target levels on an annual basis.

Prudent assumptions have been made in setting the budget, reflecting challenges in fundraising and dependence on voluntary donations, as well as upward pressure on costs. The 2023–24 year assumes continued strong performance in legacy income, as well as increased sign-ups for the London Marathon which are expected to contribute to a strong year for income from events, albeit with the return to a single event in the financial year. The Trustees recognise the risks inherent in the financial plans but are confident there are sufficient mitigations for the budget to be achievable. Regular reforecasting allows management to tweak spending plans in relation to expected income.

As we move into second full year of our new strategy, we plan to explore new approaches to fundraising and in particular hope to build on our strong performance in generating income from corporates, and from trusts and foundations. With a bold new ambition, our case for support is now clearer than ever, and we hope to grow our partnerships with existing supporters as well as attracting new ones.

Our charitable spend is expected to increase again in 2023–24. We are planning a number of key strategic new charitable projects, supported either in-part or wholly by restricted funds. For example, we are planning to launch new pilots designed to improve our reach to people with lung conditions such as Respiratory Connect, which will see us make early contact with people newly diagnosed with a lung condition, ensuring they are able to get the early support they need.

Reserves

How we manage our reserves

Asthma + Lung UK holds money in reserves to ensure it can continue to be there for everyone with a lung condition. It also holds reserves required to meet its commitments and obligations. The charities Statement of Recommended Practice (SORP) sets out four broad categories of reserves:

- **Unrestricted:** funds which we can use to fulfil any part of our charitable mission.
- **Restricted:** funds which have some form of condition attached specifying how they can be spent. For example, this may be a restriction relating to a particular lung condition, or it may relate to a specific project that a donor has generously agreed to fund.
- **Endowment:** restricted funds which are held for a long-term benefit, from which income can be generated and spent.
- **Designated:** funds which the Trustees have set aside for some specific purpose which are not included in our assessment of free reserves. This includes our fixed asset reserve, which reflects the value of the charity's fixed assets.

Our reserves picture is a little more complicated than for some charities. As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. This is particularly the case for asthma, and that's partly because of our history as two separate charities that came together to form Asthma + Lung UK. We also receive funds for other conditions like COPD.

These donations fulfil our core charitable purpose and are akin to unrestricted reserves in that sense, so we group them together with unrestricted free reserves as core reserves. This simplifies our management of reserves, whilst ensuring we comply with our donors' wishes. This excludes project-specific restrictions which have their own spending criteria.

In June 2022, to recognise our move to a single name and brand, the Trustees considered our approach to managing our reserves and agreed an updated reserves policy effective from 1 July 2022.

In note 18 to the accounts on page 96, we've set out the full picture of our reserves, and we've also added a table showing which reserves are included in our calculation of core reserves.

In order to keep our management of reserves as simple as possible and to avoid unnecessary administration costs, we account for all general expenditure as unrestricted expenditure. We then apportion a reasonable share of these costs to the various restricted core funds, and make transfers between the funds to reflect this.

Until 30 June 2022, this policy only applied to our asthma restricted fund, following an approach that was agreed when Asthma UK and the British Lung Foundation merged. Under this approach, 45% of general expenditure, excluding anything spent purely on a lung condition other than asthma, was deemed to be chargeable to the asthma restricted fund. A transfer was made on a periodic basis, with a final adjustment at the year end.

From 1 July 2022, we now apportion general expenditure to the most common lung conditions we support, and not just asthma. To do this, we have used a combination of the prevalence of each condition and demand for our charitable services, and we will apportion costs as follows:

Proportionate share of common costs

Condition	Percentage share (nearest 5%)
Asthma	55%
Bronchiectasis	5%
Childhood wheeze	10%
COPD	10%
COVID-19 and Long COVID	10%
Infectious diseases (including COVID)	5%
Interstitial lung diseases (e.g. IPF)	5%

The apportionment of costs will continue to appear as fund transfers and will be visible in our accounts. Where there are insufficient funds to cover the share of costs, we'll reduce any available balance to zero and won't seek to redistribute any shortfall.

Our reserves policy

Our reserves policy and calculation methodology is based on Charity Commission best practice as set out in CC19 and is designed to ensure the charity can continue its charitable work despite fluctuations in income and investment performance. This has become particularly relevant given the economic volatility of recent years, through the impact of COVID-19, the rising cost of living, and the war in Ukraine, on both our ability to fundraise and the value of our investments.

Our policy is also designed to ensure we can meet our commitments in relation to research grant funding and reduce the impact in the unlikely event that the charity had to close.

We set a minimum level of reserves, and also an upper target, and our aim is that the total of all core reserves falls within this range. Core reserves are defined above. Last year, we had separate targets for unrestricted and asthma restricted funds, but now we have one target covering all core funds.

The required level of free core reserves is calculated using the following steps:

- A requirement to hold reserves to mitigate income risk.
- A reduction to reflect expenditure which would be stopped quicker in the event of a close-down, such as investments in new fundraising.
- A requirement to hold reserves to partially mitigate investment volatility, based on historic movements over three years (based on the performance benchmark data for the funds), adjusted for the proportion of total reserves held in investments at the last balance sheet date.
- A specific provision for future research activity planned from our core funds, discounted to reflect estimated specific fundraising to backfill reserves.
- A discount to the unrestricted target to reflect the property held by the organisation on a near-freehold basis, based on an estimate of a portion of the asset that could easily be made liquid in an emergency.
- A small working capital requirement of one month of expenditure, adjusted as with step four, added to provide an upper limit to the target.

Trustees agreed this updated reserves policy in June 2022 and the calculation of the minimum and upper targets is reviewed annually and based on the budget for the coming year.

Based on our 2023–24 budget and assessment of the risk factors above, our Trustees recommend a range of between £5.1 million and £6.1 million in free core reserves.

Our reserves at the end of the financial year

At the end of the year, the charity held total funds of £13.6 million (2021–22: £13.2 million), of which:

1. £5.4 million (2021–22: £6.3 million) are considered core funds, consisting of:
 - a. £2.2 million of unrestricted funds (2021–22: £2.2 million)
 - b. £3.2 million of general restricted funds which are akin to unrestricted funds, the largest of which is the asthma general restricted fund of £3.2 million (2021–22: £4.2 million, of which £4.1 million was restricted to asthma).
2. £3.7 million are held in designated funds (2021–22: £2.3 million), of which £2.7 million relates to the fixed asset reserve and the investment property reserve (2021–22: £2.0 million)
3. £1.0 million relate to other restrictions, such as projects (2021–22: £1.0 million).
4. £3.5 million are held in restricted endowment funds (2021–22: £3.6 million).

Note 18 to the financial statements sets out the breakdown of our various funds. The stated figure for total non-asthma restrictions of £1.9 million is net of a deficit balance on one restricted fund. Excluding this fund, the total is £2.5 million. The deficit balance of £0.7 million relates to the GSK Chair Fund, which has an associated endowment fund; a note explaining the deficit position and the plan to address it can be found in the section on endowment funds on page 97.

Our current level of core reserves is £0.4 million above our minimum reserves requirement. This is in line with our plan to reduce core reserves in 2022–23 by spending more than we received in income.

Restricted reserves

The organisation holds a number of restricted and endowment funds which are held in accordance with the donors' wishes. Some of these are general restrictions akin to unrestricted funds, in that we can use them to achieve our charitable purpose. Others are held in relation to more specific restrictions, such as funded projects, and are the result of timing differences between when the income is recognised and the charitable activity is delivered.

Sometimes, when we receive restricted funding for a project, the funder generously allows us to recover some of our core costs, for example in relation to management of the project. Where this happens, we typically make this recovery through a transfer of funds into unrestricted funds, and these transfers can be seen in note 18 to the accounts as well as on the face of the SoFA.

We also sometimes receive donations which are restricted to a particular activity, such as research, or a geographical area, such as Scotland. We seek to match our existing activity and spend to this income, as well as a reasonable charge for the cost of raising and administering the funds. Occasionally there is a timing difference between receipt of the income and our ability to match related expenditure, so we hold these funds in reserve until they can be spent.

Endowment funds

The charity holds four endowment funds, restricted funds held for the long-term benefit of people with lung conditions.

The largest endowment fund held is the Glaxo Chair Fund. Set up in the early 1990s at the British Lung Foundation, the fund aims to generate income which is used to fund a chair of research post. The restricted element of this fund is currently in deficit due to a historic accounting error which was corrected during 2020–21, and the Trustees plan to replenish the fund with income received from the investment fund in which the endowment is held. The extent of this deficit increased during the year due to the fact the organisation had made public commitments to fund a further round of research chair activity before the accounting error was identified. As a result of the Trustees' plan, during 2022–23 the deficit has reduced by £0.06 million.

Designated funds

At the end of the financial year, designated funds stood at £3.7 million (2021–22: £2.3 million) an increase of £1.4 million.

At the end of 2020–21, the Trustees resolved to create a new designated fund of £1.0 million, taken equally from unrestricted and asthma restricted funds, set aside to support the development and implementation of our new strategy. During the year, £0.7 million was spent from this fund, leaving a balance at the end of the year of £0.3 million. The remainder was spent during 2022–23 as planned.

During 2022–23, the Trustees resolved to create a further two designated funds of £0.25 million and £0.75 million, taken from unrestricted funds, to accelerate growth in our fundraising and research activities. These funds will be spent during 2023–24.

The charity holds a designated fixed asset reserve of £1.1 million (2021–22: £0.4 million) representing equipment, fixtures and fittings, and capitalised software. It also holds an investment property reserve of £1.6 million (2021–22: £1.6 million) reflecting the fair value of an office the charity owns on a near-freehold basis, located on Goswell Road in London. Combined, these funds add up to £2.7 million (2021: £2.0 million) The combined increase in these funds of £0.7 million is the addition of our new Customer Relationship Management (CRM) system.

Research grant commitments

Asthma + Lung UK has agreements to fund research projects, senior research fellowships and research centres for periods of up to five years. Given the constructive obligation created on awarding these grants, a provision is made in the accounts at that point for forward commitments (i.e. these are recognised as liabilities). The funds are, therefore, accounted for as spent, and the organisation invests surplus cash until it is required.

Our investment in research is governed by our Research Governance policy and this is reviewed by the Trustees annually. Each year there is a rigorous technical review process to ensure research

undertaken on behalf of Asthma + Lung UK meets the conditions under which it was granted, our code of ethics and other standards.

It is the charity's intention to meet the grants obligations unless there is an exceptional reason not to. The selection of research projects for funding is through an established peer-review system which includes lay reviewers, in accordance with the guidelines of the Association of Medical Research Charities. Experts in relevant fields of research are asked to give a commentary and score the grant applications according to their relevance to lung conditions, our research aims, the quality of the proposed methodology and its value for money.

Investments

Why we hold investments

The Finance and Audit Committee, which reports to the Board of Trustees, monitors the activities and performance of the investment managers on a regular basis.

The charity's aims in investing its funds continue to be to:

- produce the best financial return within an acceptable level of risk
- maintain the capital value of our investments in real terms over a 3–5-year cycle
- hold sufficient liquid funds to meet short-term funding requirements.

Investments are invested in a number of pooled funds and the Finance and Audit Committee monitors each fund's performance annually and compares with industry benchmarks to ensure the funds remain appropriate for the charity's investments. Our investments were held by two fund managers who managed the funds on our behalf.

The Committee reviews the charity's investment policy annually and is committed to socially responsible investing. As part of our strategic review, we considered whether our investments aligned with our strategic aims and undertook a process to review our current holdings during 2022–23, the result of which was to transfer our investment to a single fund manager which more aligned with our strategic aims. The majority of the transfer was completed during 2022–23, with a small fund remaining with our previous fund manager. This will be transferred during 2023–24.

Investment performance

The movement on investments is shown in note 12. Total realised gains in investments for the year were £0.6 million (2021–22: unrealised gain of £2.1 million). There were no unrealised gains. During the latter half of 2021–22, investment performance was impacted by a number of global factors, meaning many of the gains seen earlier in the year were lost, leaving a small overall loss. During 2022–23, the markets have recovered somewhat and the sale of investments as a result of moving to a new fund manager resulted in a realised gain.

Going concern

The financial statements are prepared on a going concern basis, and Trustees consider that the charity will remain a going concern for at least the next 12 months.

As at 30 June 2023, Asthma + Lung UK held core reserves of some £5.4 million against a target range of £5.1 million to £6.1 million. In addition, a further £3.7 million was held as designated funds, including the property on Goswell Road (held on a leasehold with 972 years unexpired), valued at £1.6 million, and other fixed assets valued at £1.1 million.

Our strategy for growth is bold and the plan for 2023–24 includes growing total income to £17.3 million while achieving a break-even position on core expenditure. However, the budget also includes an analysis of actions to be taken should the planned income growth not materialise.

As at 30 June 2023, Asthma + Lung UK held cash balances of £3.4 million and an investment portfolio of £17.9 million.

These factors taken together lead the Board of Trustees to conclude that the charity is a going concern and will remain a going concern for at least the next 12 months.

Fundraising governance and regulations

Participation in fundraising regulation and our compliance with the code

We value the support of every one of our donors and work hard to ensure that our fundraising activity is open, legal and fair. We work with the Fundraising Regulator and the Chartered Institute of Fundraising to make sure our fundraising activities operate to the highest standards. We proudly adhere to the Code of Fundraising Practice and our Fundraising Promise is posted on our website. We never sell contact data and our supporters can change their communication preferences at any time.

How we protect vulnerable people

Every donor is an individual with a unique background, experiences and circumstances – and every interaction between a fundraiser and donor is different. We require all staff to follow best practice guidelines for dealing with vulnerable people and our Policy for Fundraising with Vulnerable Supporters is available on our website. We constantly review best practice guidance on protecting individuals at risk and have updated our self-exclusion from gambling process to safeguard the wellbeing of individuals. We continuously look to ensure we appropriately act to protect potentially vulnerable people whilst also protecting the reputation of the organisation and its employees.

We comply with the Chartered Institute of Fundraising guidance, set out in Treating Donors Fairly. We also require our staff, and any agencies contacting members of the public on our behalf, to comply with guidelines provided by the Data and Marketing Association and the Public Fundraising Regulatory Association. These guidelines do not cover children and young people under the age of 18, and we do not actively seek donations from them.

How we monitor fundraising activities by third parties

We work with a variety of third parties to raise money, including commercial participators and professional fundraisers. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. This year we continued to employ a telephone agency to call people on our behalf. We provided guidance to their staff and monitored calls regularly to ensure they represented the organisation appropriately.

Complaints

Asthma + Lung UK received 35 direct fundraising complaints this year. We have not received any complaints through the Fundraising Regulator. We take all complaints seriously and the Supporter Care Team have responsibility for ensuring that complaints about the organisation are recorded and handled appropriately. In all cases we aim to resolve or acknowledge receipt within five working days, and our Fundraising Complaints Procedure is easily found on our website.

FPS requests

The Fundraising Preference Service (FPS), run by the Fundraising Regulator, is aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. Asthma + Lung UK received one of these requests in the period from 1 July 2022 to 30 June 2023.

Risk and uncertainties

The Board has ultimate responsibility for the management of risk and they have delegated the responsibility to the Finance and Audit Committee to oversee the charity's risk management strategy and process. The risk register is reviewed regularly by the Committee and key risks are highlighted on a risk heat map. Risks are then discussed at every Board meeting.

A formal risk management policy and framework has been adopted to ensure there is a shared understanding of risks and how they can be managed. The risk register is used to ensure identified risks have suitable mitigations in place, the risk appetite is understood and to highlight any additional controls to reduce the risk further. It is reviewed by the Executive Team who discuss changes to the risk register at a quarterly meeting. Project risks are managed within the Project Management toolkit and escalated to the Executive Team or Finance and Audit Committee as appropriate.

Our response to the current economic uncertainties

We are concerned that the pressures of the increased costs of living have had a detrimental impact on the health of people with lung conditions. The costs, for example, of running 24-hour oxygen pumps, which may be critical for people living with COPD and other chronic lung diseases, doubled last year and, despite a recent fall in wholesale electricity prices, remains high.

Through our services teams, surveys and social media channels, we are listening to and working with the community of people living with lung conditions, to understand how they are being affected by the increased costs of living. We're using the health advice pages of our website, as well as our support groups, helpline and communications to offer advice in prioritising their health needs as they manage their personal finances – as well as lobbying government to provide as much financial support to vulnerable groups as possible.

As an organisation, we critically reviewed our budgets for the opening financial year, testing income expectations and ensuring appropriate prioritisation of our strategic aims. We benchmarked staff benefits to charity standards across the board for 2023–24. We have reviewed and moved our investment management to ensure we can respond quickly to changes in the economic environment. Throughout the forthcoming year we will monitor income and expenditure closely so we can react well in advance to further unexpected changes in our financial position.

The key risks and uncertainty are set out in the table along with mitigation and future actions.

Risk	Mitigation	Future actions
<p>Being unable to respond to our beneficiaries' needs Failure to fully understand the needs of needs of our beneficiaries could lead to an inadequate response to increased or changing demands and consequent reduction in levels of engagement with people living with lung conditions.</p>	<ul style="list-style-type: none"> • Five-year strategy places the needs of people with lung health issues at the heart of our activities • Information acquired through helpline and support group sessions • Engagement with the Respiratory Voices network • Results of surveys into the needs of people living with lung conditions 	<ul style="list-style-type: none"> • Development of new programmes to increase our contact with the newly diagnosed and people leaving hospital • Development, with support from Sport England, of a tailored exercise plan for service users
<p>Unable to deliver consistent programmes Failure to deliver consistent programmes that are compliant with best clinical governance, and evidence the impact of our activities, could lead to the loss of funding opportunities.</p>	<ul style="list-style-type: none"> • Compliance to AMRC best practice guidelines for giving research funding • Employment of professionally qualified nurses for our helpline • Recording and review of helpline calls supporting continual professional development • Evaluation procedures built into programme work 	<ul style="list-style-type: none"> • Delivery of an enhanced EDI plan to increase our reach to minority groups • Continuing checking of qualifications and competencies of staff and volunteers
<p>Unable to attract and retain talented staff Failure to recruit and retain a strong and robust workforce, including employees and volunteers, could impact our ability to deliver our ambitions for our beneficiaries. This may include a failure to embed an inclusive workplace culture.</p>	<ul style="list-style-type: none"> • Nominations and Remuneration Committee • Values built into performance management process • Staff Forum • Whistleblowing policies and procedures • People policies and procedures 	<ul style="list-style-type: none"> • Benchmarking of benefits packages • Implementation of talent management strategy • Review and tender for enhanced recruitment platform
<p>Failure to manage our resources to maximise their value Failure to manage the impact of inflation on operating costs, and potential loss of income from supporters also affected by inflationary pressures causing unbudgeted losses. Failure to respond to loss in values of investment assets leading to a reduction in our reserves.</p>	<ul style="list-style-type: none"> • Finance and Audit Committee review performance against budget and forecast • Reserves Policy • Dedicated role for monitoring delivery of strategic objectives • Budget aligned to annual business plan and strategy • Regular robust reforecasting • Project Management Office that aligns resources to business plan 	<ul style="list-style-type: none"> • Implementation of database for managing relationships with key stakeholders • Implement new approaches to data to enhance the donor journey • Increased investment in key fundraising roles • Purchase and implementation of new marketing platform

Risk	Mitigation	Future actions
<p>Lack of research funding affects delivery of our research work Less investment and reduced capacity in research and innovation could reduce the volume of research, weaken academic workforce/institutions/ collaborations and delay discovery and clinical trials, stalling new knowledge and innovation that could benefit people with lung disease.</p>	<ul style="list-style-type: none"> • Work with AMRC and other medical charities to amplify the message and raise awareness of lack of investment • Invest in proven research and innovation funding influencing models • Review funder strategies for co-funding opportunities 	<ul style="list-style-type: none"> • Increase our own research funding over the coming years • Influence others through research calls to action, to leverage our own funds so that even greater sums are spent overall
<p>Influencing and communications Failure to affect change on behalf of beneficiaries in a complex external environment or failure to deliver against our policy priorities could lead to poorer delivery of care, lack of progress on public health including clean air, and worsening health outcomes for people with lung disease.</p>	<ul style="list-style-type: none"> • Launch of striking new brand to support the strategy • Founder member of the Healthy Air Coalition working with other charities to support clean air campaigning • Professional communications team ensure consistency and accuracy of messages • Dedicated public affairs team working with Westminster politicians and devolved governments to raise awareness of lung conditions and their impact 	<ul style="list-style-type: none"> • Working, through the Healthy Air Coalition, to reach grassroots organisations and extend work in schools • Continuing to run the secretariat for the Taskforce for Lung Health to bring together key partner organisations to speak with one voice on lung health
<p>Ethics and integrity Failure to act in the best interests of our beneficiaries, or failure to comply with all applicable legal and regulatory requirements could lead to decreased engagement with people with lung disease, loss of funding opportunities and regulatory censure.</p>	<ul style="list-style-type: none"> • Compulsory e-learning for new starters including UK GDPR, cyber-security, safeguarding, EDI and health and safety. • Internal information governance group to approve changes to data and cyber processes. • Ethical fundraising and investment policies, aligned to Fundraising Regulator standards 	<ul style="list-style-type: none"> • Monitor and report on achievement of ESG agenda • Accreditation of computer security to the Cyber Essentials Plus standard

TRUSTEES' REPORT

Structure

Asthma + Lung UK (the Charity) is a company limited by guarantee (registered company number 01863614 in the United Kingdom and 005851F in the Isle of Man) and is a charity registered and regulated by the Charity Commission in England and Wales (Charity number: 326730), the Office of the Scottish Charity Regulator in Scotland (Charity number: SC038415) and the Attorney General of the Isle of Man (Charity number: 1177).

The Charity's constitutional document is its Articles of Association which sets out the charitable objectives. These are:

- the relief of persons suffering from diseases of the chest and lungs, to include, on a continuing basis, asthma, and the prevention of those diseases;
- the promotion of medical research into the prevention, treatment, alleviation and cure of those diseases and the dissemination of the useful results of such research for the benefit of the public and the promotion of postgraduate training and the creation of fellowships, hospitals, medical centres and research institutes; and
- the provision of care, support, services and information for persons suffering from those diseases.

The Charity is governed by a Board of Trustees chaired under powers defined in the Memorandum and Articles of Association which was last updated in March 2022. The Board of Trustees may number between five and fifteen Trustees. On 1 July 2022, 12 Trustees were in post; on 30 June 2023, 10 Trustees were in post.

In October 2022, Baroness Blackstone stepped down as Chair of Trustees after serving five years and leading the charity through both the merger and COVID-19 lockdown periods. Her successor as Chair, Tamara Ingram OBE, joined the board in November 2022. During the year, there were three further Trustee resignations: Isabel Divanna in October 2022, Emily Bushby in December 2022 and Edwin Chilvers in April 2023. In addition to Tamara Ingram, two further Trustees have been appointed: Victor Cholij in June 2023 and John Hannaford in August 2023.

The Board is supported by two sub-committees: the Finance and Audit Committee and the Nominations and Remuneration Committee.

The day-to-day running of the Charity is the responsibility of the Executive Team; their names are listed on page 102 of this report.

Asthma + Lung UK has two active subsidiary companies:

- Asthma Enterprises Limited (registered company number 02355314), and
- ALUK Trading Limited (registered company number 02341027).

Each subsidiary is a wholly owned independent company with a board of directors. The companies are used for trading activities and gift their profits, with Gift Aid, to the parent charity. More details on the subsidiary companies are available in Note 4 to the financial statements on page 65.

Asthma + Lung UK cooperates closely with other charities with aligned objectives, providing the secretarial support to two charitable consortia:

- The Taskforce for Lung Health, and
- Healthy Air Coalition, see page 33.

Under these arrangements, each charity operates independently to achieve our common goals.

Governance

The Board

The Board of Trustees may have a minimum of five and up to fifteen Trustees. Trustees may serve for up to two terms of four years. Retiring Trustees may be re-elected, but no Trustee can serve more than two consecutive terms unless the Trustees decide there are exceptional circumstances.

Two honorary roles exist, Vice Chair and Treasurer, that the Trustees may appoint from their number for a term of office as they see fit.

Trustees receive no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

Committees

The Board is supported by two committees to which it delegates certain authorities. The committees work to their terms of reference, which are approved by the Board and reviewed periodically.

Finance and Audit Committee

The Finance and Audit Committee meets at least four times a year. It reviews and makes recommendations to the Board on:

- finance, including budgets and management accounts
- risk management
- audit and statutory reporting
- investments
- capital projects
- customer complaints and feedback.

Nominations and Remuneration Committee

The Nomination and Remuneration Committee meets at least twice a year. It reviews and makes recommendations to the Board on:

- Trustee nomination and recruitment
- benefits for employees
- health and safety
- safeguarding
- employee and volunteer related complaints and feedback.

Research Review Panel

Members of the panel are invited independent experts who meet to review grant applications and make recommendations to Trustees and inform and review progress against the research strategy. A full list of members who attended panels in 2022-23 is provided on page 76 of this report.

Trustee appointment and induction

The Board completes a self-assessment regularly against the Charity Commission Governance Code, last completed in October 2021. This information is used to inform the brief for the appointment of new Trustees.

To ensure that roles are advertised as broadly as possible, the early stages of recruitment up to the shortlisting of candidates are managed by an external recruiter. New Trustees are proposed by the Nomination and Remuneration Committee and formally appointed by the Board.

New Trustees are given an induction tailored to their role, including meeting with relevant staff and senior management team members, historical information including Board and Committee minutes and strategic plans. Each Trustee is given information on their legal duties and invited to attend external Trustee training events funded by the Charity. On appointment, each Trustee completes a register of interests, which is reviewed annually and agrees to abide by the Charity Commission's Governance Code and the Charity's own Code of Conduct.

This report includes a short biography for every Trustee that served in 2022-23 on pages 70 to 74.

Pay and benefits for key staff

Remuneration for the Chief Executive and Executive Team is set, maintained and reviewed by the Nomination and Remuneration Committee. Senior staff salaries are benchmarked to the mid-point of two publicly available Charity Remuneration surveys.

Trustees are unpaid but are reimbursed reasonable expenses incurred in their duties.

Public benefit

The Trustees confirm that they have referred to the information in the Charity Commission's guidance on public benefit when reviewing Asthma + Lung UK's aims and objectives, in planning activities, and setting policies and priorities for the year ahead.

Statement of trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with FRS102 and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the Group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group 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
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Asthma + Lung UK will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

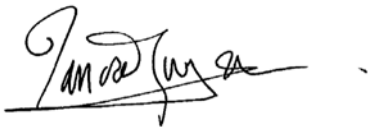
The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Crowe LLP have been appointed as the charitable company's auditors during the year. The Trustees' annual report has been approved by the Trustees on 13 December 2023 and signed on their behalf by

Signed on behalf of the Board of Trustees of Asthma + Lung UK

Chair of Trustees

A handwritten signature in black ink, appearing to read 'Tamara Ingram', with a horizontal line underneath.

Tamara Ingram, OBE
13 December 2023

Independent

**AUDITOR'S
REPORT**

to the members

Opinion

We have audited the financial statements of Asthma and Lung UK for the year ended 30 June 2023 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the Financial Group Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2023 and of the group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 43, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005, with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR) and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, agreeing income to contracts or other supporting evidence on a sample basis, testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission and the Scottish Charity Regulator (OSCR), and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor

20 December 2023

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

TRUSTEES' BIOGRAPHIES

Baroness Tessa Blackstone – Chair, resigned October 2022

Tessa is a Labour peer and has chaired the board of a wide range of organisations. She studied at the London School of Economics (LSE) where she went on to take her doctorate. Her academic career began as a lecturer in social administration at LSE. She was Master of Birkbeck College and later, Vice Chancellor of the University of Greenwich. She was Minister of State in the Department for Education and Employment and then in the Department of Culture, Media and Sport. Tessa has published widely in academic journals, and written a number of books mainly on social and educational policy.

Professor Ian Hall – Vice Chair

Ian joined as a Trustee in July 2017. He is currently Director of the NIHR-Nottingham Biomedical Research Centre and works clinically as a respiratory physician, running a specialist clinic for patients with severe asthma in Nottingham. Ian has over 25 years' experience in this clinical area and in 1993 was appointed as the inaugural National Asthma Campaign Senior Research Fellow. Ian has been heavily involved in research management and clinical academic training at a national level, as well as medical education. Ian has supported Asthma UK over many years, serving on the Asthma UK research panel, contributing to Asthma UK reports, and participating in workshops for a range of activities including the European Asthma Research and Innovation Partnership (EARIP). Following the merger of Asthma UK and the British Lung Foundation, Ian has continued as Vice Chair of Trustees for Asthma + Lung UK.

Jim Bowes

Jim became a Trustee in March 2017 to help Asthma UK maximise the benefit of its use of digital technology. He founded digital agency Manifesto which is now part of TPXimpact plc. Jim has worked in digital for over 20 years helping people create products and services around the needs of users, working predominantly across the health, housing and charity sectors. Jim is Chair of the Nomination and Remuneration Committee.

Emily Bushby – Resigned December 2022

Emily has been the Chief Financial Officer and Chief Operating Officer at GuarantCo since January 2022. She was Interim Chief Executive Officer at GuarantCo from May to December 2021 and joined the company as Chief Operating Officer in March 2018. Her previous roles have included leading the finance functions at a world top ten university and a medical related charity, performing mergers and acquisitions for a highly acquisitive FTSE 30 business and investment management within the banking sector.

Caroline Cartellieri Karlsen

Caroline brings over 25 years' experience in online strategy, digital transformation and marketing. Her previous roles include that of Chief Commercial Officer of Ennismore, Chief Digital Officer at Sun European Partners and Director of Digital Transformation at glh Hotels. Before that, she held the role of Chief Operating Officer of MySpace International as well as senior positions at Expedia and Kingfisher. Prior to this, she founded a pioneering e-commerce business in New York City. She started out her career as a consultant for the Boston Consulting Group and McKinsey & Co. Caroline served for six years as a Trustee of the Cystic Fibrosis Trust and is a former Governor of the Royal Brompton and Harefield NHS Foundation Trust.

Professor Edwin Chilvers – Resigned March 2023

Edwin is a Professor of Medicine and Head of the National Heart and Lung Institute (NHLI) at Imperial College London. He is an Honorary Consultant Physician at the Imperial College Healthcare NHS Trust. His research interests are in inflammatory cell biology, in particular the intracellular signals that regulate the activation and survival of neutrophils and eosinophils. He has a particular interest in the signalling mechanisms regulating NADPH oxidase function in neutrophils, and the control of neutrophil and eosinophil survival by hypoxia and inflammatory cytokines. This has translational relevance to a range of inflammatory lung diseases including COPD, asthma and acute lung injury. His research has received MRC and Wellcome Trust support for the past 26 years.

Dr Isabel Divanna – resigned October 2022

Isabel is a director-level business development and marketing professional. She is currently the Director of Business Development and Partnerships at EngineeringUK. She has been a director of corporate partnerships and business development in London and Cambridge, and she spent many years working on professional development, continuing training and executive education. She has experience working in the professional services (consulting, research and advisory) and not-for-profit sectors (education, charities, Royal Charter, local government, professional and membership bodies and trade bodies), seeking to grow their portfolio and business through fundraising partnerships and commercial activities. She is a fellow of the Royal Society for the Arts, the Chartered Management Institution and the Institute for Leadership and Management. She is also a Trustee of the Chartered Accountants Benevolent Association (CABA).

John Graham

After completing a chemistry degree at Oxford University, John trained as an accountant with Deloitte in Manchester. He worked in industry with BP, the Seiko Epson Group in the UK and eventually became finance director of Northamber plc, a FTSE 250 company. In 1996 he became finance director of NSPCC, staying with them for 11 years before moving as finance director to the Royal British Legion in 2008 until 2016. During his 20 years with the charity sector, John has been involved in a number of sector initiatives including advice on pensions and risk. For eight years he sat on the Charity Commission SORP committee helping to articulate the international accounting standards for the benefit of the charity sector. John is the Chair of the Finance and Audit Committee.

Katherine Morgan

Katherine is currently Director of Transformation for Birmingham City University and has a diverse portfolio of transformational change projects aiming to support delivery of the university's 2025 strategy. Prior to this she was Director of Transformation at Fenwick, following a series of senior planning, strategy and delivery roles at Sainsbury's. Katherine works with boards delivering multimillion pound change programmes and enjoys using her customer and commercial focus to support the Trustee board of Asthma + Lung UK.

Michael O'Connor

Mike has held CEO posts since 1989 with his last fulltime role at StepChange Debt Charity, the UK's largest debt advice charity. He was CEO at Consumer Focus (the UK's statutory consumer body), the Olympic Lottery Distributor and the Millennium Commission. His early career was in the Department of Health, where he was the Private Secretary to two Ministers for Health, and in HM Treasury and the Cabinet Office. He was a Trustee of the Mental Health Foundation and Action on Smoking and Health. He is a member of the Advertising Advisory Committee at the Advertising Standards Authority and Vice Chair of the London Irish Centre Charity. He received a CBE for public service in 2000 and is a member of the Council of Fellows of the University of Keele.

Niren Patel

Niren joined as a Trustee in July 2018 and is currently a Senior Fund Manager at Aviva Investors, responsible for managing fixed income portfolios. Prior to joining Aviva Investors, Niren was a Director within the solutions business at BlackRock. Niren began his career at KPMG LLP where he worked both in investment and pension consulting. Niren is a Fellow of the Institute and Faculty of Actuaries.

Professor Ian Sabroe

Ian joined as a Trustee in July 2018. He recently retired from his main role as a consultant in respiratory medicine in Sheffield and an asthma specialist. He undertook a PhD in asthma-related research at the National Heart and Lung Institute at the Royal Brompton Hospital and has continued research in this area as a consultant and Professor at the University of Sheffield. He has ongoing interests in the medical humanities and holds honorary roles with the University of Sheffield. He has worked with the charity before as a member of the Asthma UK Research Committee and the charity has previously funded aspects of his group's research.

Tamara Ingram – Appointed November 2022

Tamara is a celebrated British businesswomen with a career in the marketing and advertising industry, where she has held leadership positions at some of the world's most prestigious agencies including Wunderman Thompson, Grey Group, McCann Worldgroup and Saatchi and Saatchi. Between 2001 and 2011 she served as chairman of Visit London, and in 2011 was appointed an OBE for services to tourism through her work with the organisation.

As well as her work for Asthma + Lung UK, she is currently chairman of integrated content agency The 10 Group, chair of the ESG committee as a non-executive director for Marks and Spencer and non-executive director of Intertek, Marsh McLennan, and Reckitt Benckiser.

Victor Cholij – Appointed June 2023

Victor's career started with an engineering degree from Cambridge University with practical and management training from the Ministry of Defence, followed by international consultancy at Bowaters Paper. Victor then moved to Michelin Tyre UK, gained an MBA in finance from Imperial College London and became the UK Commercial Administration Manager. Victor then moved to the Michelin HQ in France where he spent the next 20 years contributing to, and often leading, various European and Group financial projects. His final post was as Group Contract Manager responsible for the outsourced finance partner.

Now retired, Victor is currently the volunteer chairperson of the North Staffordshire Breathe Easy support group and volunteers in the workshops of Emmaus North Staffs. He has COPD, diagnosed in 2020.

John Hannaford – appointed August 2023

John Hannaford joined the Trustee Board in August 2023. John studied history at the University of Reading before qualifying as a chartered accountant and building a high-profile career in banking. He has been a leading member of the UK investment banking team at Credit Suisse for some twenty years. John has also worked in trustee roles at other charities, including Independent Age and Fight for Sight, informing their decision-making by bringing his knowledge, financial acumen and risk management skills to the table. John will serve on the Finance and Audit committee as well as the main Board.

RELATED PARTIES

The Trustees maintain a register of interest and related party declaration is completed annually. Conflicts of interest are declared at the beginning of every Board and Committee meeting and any conflicts of interest are managed in accordance with the Articles of Association.

Asthma + Lung UK is a member of the Taskforce for Lung Health and provides the secretariat for this group. We are members of the Association of Medical Research Charities and maintain close links to the British Thoracic Society, Primary Care Respiratory Society UK and other professional respiratory societies, and patient charities. We are a member of the Richmond Group and we are also a member of the UK Lung Cancer Coalition, the Global Lung Cancer Coalition, the Common Cancers Coalition, the Smoke Free Action Coalition, and the Healthy Air Coalition. In the charity sector we are a member of the National Council of Voluntary Organisations.

A number of Trustees and senior management sit on other respiratory health committees and programme boards and the charity is involved in initiatives across the UK.

In 2021–22, after a tender process managed by an external specialist, we selected a digital company to deliver our new website which is connected to one of our Trustees. The Trustee was recused from all or any discussion on the performance of the contract. The same digital company is providing support for the new website, so we have a continuing financial relationship with them and have disclosed the values of these as related party transactions. Further detail is available in Note 21 of the Accounts, page 98.

Membership of the Research Award Panel in 2022–23

Core members

Professor Edwin Chilvers (Chair until December 2022 – Imperial College London)

Professor Andres Floto (Chair from March 2023 – University of Cambridge)

Professor Chris Griffiths (Vice Chair until January 2023 – University of London)

Professor Clare Lloyd (Vice Chair from January 2023 – Imperial College London)

Dr Najib Rahman (University of Oxford)

Dr Shona Fielding (Frontier Science/University of Aberdeen)

Dr David Leather (until September 2022 – GlaxoSmithKline)

Dr Nicola Heron (Medicines Discovery Catapult)

Phil Taverner (Patient Representative)

Diagnosis members

Professor Stephen Fowler (University of Manchester)

Dr Clare Lendrem (Newcastle University)

Professor Jenni Quint (Imperial College London)

Professor Ling-Pei Ho (University of Oxford)

Dr Paul Aurora (Great Ormond Street Hospital)

Dr Elijah Nazarzadeh (Nebu-Flow)

Professor Liam Grover (University of Birmingham)

Neelam Patel (Med City)

Roberta Hobbs (Patient Representative)

Pepe (Jose Luis) Gonzalez Nieto (Lay member)

THANK
YOU

We are extremely grateful for the continued support from our donors, supporters, campaigners, volunteers and those people who have left us a gift in their will. A special thank you must go to our Patron and our Presidents for their unstinting support.

Special thanks to the following businesses, public bodies, trusts and foundations for their generous support during 2022–23.

Major donors

Victor Dahdaleh Foundation

Trusts and Statutory

Sport England

The Albert Gubay Charitable Foundation

Peacock Charitable Trust

Robert Luff Foundation Limited

The Revere Charitable Trust

Clean Air Fund

Impact on Urban Health

Medical Research Council

Kusuma Trust UK

James Tudor Foundation

Pharmaceutical

Chiesi

GlaxoSmithKline

AstraZeneca

Sanofi

Seqirus

MSD

Pfizer

Corporate and community partnerships

Lucas

Nutricia

Catalina Services Ltd

Irwin Mitchell

NiQuitin/Perrigo

Thales

We would not be able to continue our work without your support.

FINANCIAL STATEMENTS

Group Statement of Financial Activities

for the 12 months to 30 June 2023 (incorporating consolidated income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	30 June 2023 Total funds £'000	30 June 2022 Restated total funds £'000
Income from:						
Donations and legacies		5,979	6,083	–	12,062	11,756
Charitable activities		146	1,527	–	1,673	1,383
Other trading activities		352	25	–	377	381
Investments		142	409	44	595	419
Total income	2 (b), 3	6,619	8,044	44	14,707	13,939
Expenditure on:						
Expenditure on raising donations and legacies		4,713	320	–	5,033	4,872
Investment management costs		28	97	10	135	127
Total expenditure on raising funds		4,741	417	10	5,168	4,999
Net incoming resources available for charitable application		1,878	7,627	34	9,539	8,940
Charitable activities:						
Research		2,992	9	–	3,001	5,026
Improving care		2,338	601	–	2,939	3,117
Advice and support		3,501	335	–	3,836	3,635
Total expenditure on charitable activities		8,831	945	–	9,776	11,778
Total expenditure	7a	13,572	1,362	10	14,944	16,777
Net income/(expenditure) before investment gains		(6,953)	6,682	34	(237)	(2,838)
Gains/(losses) on investments funds	12	(32)	616	42	626	(186)
Gains on investment assets		–	–	–	–	789
Net income/(expenditure)		(6,985)	7,298	76	389	(2,235)
Transfers between funds		8,424	(8,218)	(206)	–	–
Net movement in funds		1,439	(920)	(130)	389	(2,235)
Reconciliation of funds:						
Fund balances brought forward at 1 July 2022		4,427	5,111	3,624	13,162	15,397
Net movement in funds		1,439	(920)	(130)	389	(2,235)
Fund balances carried forward at 30 June 2023	18	5,866	4,191	3,494	13,551	13,162

Prior year split between unrestricted and restricted appears in Note 24.

There are no unrecognised gains or losses other than those disclosed above. All of the results derive from continuing activities in the period.

The accompanying notes are an integral part of this statement of group financial activities.

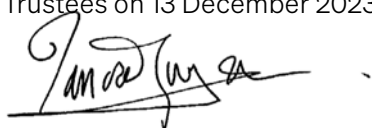
The surplus determined under the Companies Act 2006 is £286k (2021/22: £2,289k deficit).

Balance sheet

as at 30 June 2023

	Notes	Consolidated		Charity	
		30 June 2023 £'000	30 June 2022 £'000	30 June 2023 £'000	30 June 2022 £'000
Fixed assets					
Intangible assets	11	900	–	900	–
Tangible assets	11	173	393	173	393
Investments	12	17,943	17,350	18,043	17,450
Property held for investment	13	1,600	1,600	1,600	1,600
Total fixed assets		20,616	19,343	20,716	19,443
Current assets					
Stock		27	22	–	–
Debtors	14	1,705	1,670	1,733	1,691
Cash at bank and in hand		3,399	5,128	3,253	4,999
Total current assets		5,131	6,820	4,986	6,690
Creditors					
Amounts falling due within one year	15	9,528	8,281	9,482	8,251
Net current assets/(liabilities)		(4,397)	(1,461)	(4,496)	(1,561)
Total assets less current liabilities		16,219	17,882	16,220	17,882
Creditors falling due after more than one year	16, 17	2,668	4,720	2,668	4,720
Net assets		13,551	13,162	13,552	13,162
Represented by:					
Funds					
Endowment funds		3,494	3,624	3,494	3,624
Restricted funds		4,191	5,111	4,191	5,111
Designated funds-fixed assets		1,073	393	1,073	393
Designated fund – property held for investment		1,600	1,600	1,600	1,600
Designated funds – strategy, brand, and investment		–	258	–	258
Designated funds – Research Accelerator Fund		750	–	750	–
Designated funds – Fundraising Accelerator Fund		250	–	250	–
Unrestricted funds	17	2,193	2,176	2,194	2,176
		13,551	13,162	13,552	13,162

The annual trustees' report and accounts including notes 1 to 23 were approved and signed on their behalf by the Trustees on 13 December 2023.



Tamara Ingram
Chair



John Graham
Chair of the Finance & Audit Committee

Group cash flow

for the 12 months ended 30 June 2023

Notes	30 June 2023 £'000	30 June 2022 £'000
Cash flow from operating activities:		
Net cash provided by operating activities (a)	(1,414)	(2,231)
Cash flow from investing activities:		
Dividends and interest from investments	595	419
Purchase of tangible fixed assets	(171)	(390)
Purchase of intangible fixed assets	(637)	
Proceeds from sale of investments	5,621	1,322
Purchase of investments	(5,885)	(1,286)
Increase of cash held in investment portfolio	162	(110)
Net cash provided by investing activities	(315)	(45)
Change in cash and cash equivalents in the reporting period	(1,729)	(2,276)
Cash and cash equivalents at the beginning of the reporting period	5,128	7,404
Cash and cash equivalents at the end of the reporting period (b)	3,399	5,128
Notes:		
Net income for the reporting period	389	(2,235)
Adjustments for:		
Depreciation charges	80	73
Amortisation of intangible fixed assets	48	
Gains/(losses) on investments funds	(626)	186
Gains on investment assets	-	(789)
Investment management fees	135	127
Dividends and interest from investments	(595)	(419)
Increase in stock	(5)	(22)
(Increase)/decrease in debtors	(35)	400
Increase/(decrease) in creditors falling due within one year	1,247	(870)
(Decrease)/increase in creditors falling due in more than one year	(2,052)	1,318
(a) Net cash provided by/(used in) operating activities	(1,414)	(2,231)
(b) Analysis of cash and cash equivalents		
Cash in hand	3,399	5,128

Notes to the group financial statements

for the 12 months ended 30 June 2023

1. Charity Information

Asthma and Lung UK is a company limited by guarantee (registered number 01863614 England & Wales; 005851F Isle of Man), which is a public benefit entity and registered as a charity (charity number 326730 England & Wales; SC038415 Scotland and 11777 Isle of Man), and domiciled in the UK. The address of the registered office is 18 Mansell Street, London, E1 8AA.

Asthma and Lung UK was formed from the merger of Asthma UK and the British Lung Foundation on 1 January 2020. Upon the merger the charity became known as the Asthma UK and British Lung Foundation Partnership while it maintained two separate outward facing charity brands. On 28 February 2022 we re-launched the charity under our new name and brand.

To facilitate this merger of equals, the trustees of Asthma UK resolved to donate the net assets of the charity at fair value to the British Lung Foundation, which renamed itself to reflect the merged charity's focus. The merged charity took on responsibility for all assets and liabilities previously held by Asthma UK. Excluding endowment and restricted funds, the remaining net assets were treated as restricted in line with the pre-merger objects of Asthma UK. A restricted fund for asthma was created, into which any general income raised under the Asthma UK identity was paid. We continue to receive generous donations restricted to asthma which are also paid into that fund, and as a multi-condition charity, the same principle applies to donations received for other conditions such as COPD.

These restricted funds are grouped together with unrestricted funds to allow efficient internal management. They are used for direct charitable activity related to each condition, and an equitable share of general charitable activity and charity running costs, as well as the costs of generating income. Note 17 shows the detail of transfers between restricted core funds and the unrestricted fund to reflect this use. Our Trustees Annual Report sets out the approach to managing these funds in more detail.

2. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared under the historical cost convention, with the exception of quoted investments and property held for investment which are stated at market value.

Basis of consolidation

The financial statements have been consolidated to include the results of the charity's subsidiaries using the equity line by line method. Transactions and balances between the charitable company and its subsidiaries have been eliminated through the consolidated financial statements. No separate statement of financial activities for the charity has been prepared for the Charity alone as permitted under Section 408 of the Companies Act 2006. Included in the group results are income of £14,547k (2022: £13,808k); expenditure of £14,886k (2022: £16,704k); investment gains of £626k (2022: gains of £603k) and a net increase in funds of £390k (2022: net decrease £2,293k) resulting from activities of the Charity.

The particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments. The trustees do not consider that there are any 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 reporting period.

Public benefit

The Trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing Asthma and Lung UK's aims and objectives and in planning activities and setting policies and priorities for the year ahead.

(b) Income

All incoming resources are included in the statement of financial activities when the group is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable. When income is received in advance of providing goods or services, it is deferred until the group becomes entitled to the income.

Residuary legacies are recognised when all the three criteria below are met:

- a. Establish entitlement – entitlement to legacies is taken as the earlier of the estate accounts being approved or cash received.
- b. Where receipt is probable – the charity is aware that probate has been granted.
- c. The amount is measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed.

Where 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, then the legacy is treated as a contingent asset and disclosed if material. Pecuniary legacies are recognised on probate.

For both government grants and grants received from other sources, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

Gifts in kind are recognised at reasonable estimates of their gross value to the charity or the amount actually realised. Gift in kind in Note 3 relates to free ad words provided by Google which has been predominantly used to promote health messaging around asthma management.

Investment income includes dividends and interest but excludes realised and unrealised investment gains and losses.

(c) Expenditure

Expenditure is classified by reference to specific activity categories, so that all direct costs relating to a specific activity have been aggregated. Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing Asthma and Lung UK's investments. The costs of these activities also include expenditure of an indirect nature necessary to support them.

Expenditure on charitable activities are costs incurred to meet the objectives of Asthma and Lung UK. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Liabilities in respect of research grants, senior research fellowships and professorial chairs are recognised at the point at which the grant is awarded which is when the future commitment represents a constructive obligation. Where a grant may run for more than one year the entire obligation is recognised at the time of the initial award, although disbursement of the funds may be made in subsequent accounting periods.

(d) Allocation of support costs

Support costs, which include general functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance are separately analysed and then allocated across the categories of charitable expenditure, governance costs and the costs of generating funds.

Governance costs relate to general running of the charity and include audit fees, legal advice for trustees, costs associated with constitutional and statutory requirements and costs associated with the strategic management of the charity.

The basis of allocation of support costs are reviewed regularly and are explained in detail in note 7(b). The basis of the cost allocation has been explained in the notes to the accounts.

(e) Pension costs

Asthma and Lung UK operates two defined contribution pension schemes for its employees depending on historical contractual arrangements. Following the end of the financial year, a single scheme was launched for all new contributions from 1 July 2022. Contributions to the scheme(s) are charged to the Statement of Financial Activities when incurred.

(f) Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight-line basis at the following rates:

Long leasehold property	over 50 years
Leasehold improvements	over the duration of the lease
General office equipment and furniture	over 5 years
Configured software packages for capturing or reporting information	over 5 years
Fixtures, fitting and furniture specific to buildings	over the duration of the lease
Computer hardware	over 3 years
Intangible fixed assets – software	over 3 to 5 years

Tangible and intangible fixed assets are stated at cost less accumulated depreciation/amortisation or any provision for impairment.

Items under £2,000 are not capitalised.

(g) Fund accounting

The company maintains four types of funds. General unrestricted funds are funds available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the designated and restricted funds are set out in the notes to the financial statements. At the year-end any fund deficits are maintained only when the trustees are of the opinion that such deficits will be eliminated by future committed giving or income generated from investments. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in Note 18.

For internal management purposes, we group together our unrestricted general funds and a number of restricted funds which relate to our core purpose and are akin to general funds. The largest of these is the restricted fund for asthma. We call these Core funds; whilst not a fund type under the definition of the SORP, it helps us separate the funds from more specific restricted funds, for example those held for project activity. This allows us to minimise the cost and impact of managing these funds, by apportioning an equitable share of costs according to the prevalence of each condition and demand for our services. This includes charitable activity, as well as support costs and the costs of generating funds. The details of how we manage these funds are set out in the Trustees' Annual Report, which also sets out how we set a target level of reserves with reference to the total of core funds. Note 18 includes an additional table showing the movement in core funds over the year.

Endowed funds are funds to be held permanently, where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose although their constituent assets may change from time to time.

(h) Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease or until the next review date if earlier.

(i) Taxation

The charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiaries (Asthma Enterprises Limited, and ALUK Trading Limited) have not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Asthma + Lung UK is registered for VAT and has partial exemption in respect of its trading activities.

(j) Judgements and estimates

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet

date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

(k) Financial instruments

Financial assets and financial liabilities are recognised when Asthma + Lung UK becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Asthma + Lung UK 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Asthma + Lung UK has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Investments, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertaking is held at cost less impairment.

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note 14. Financial liabilities comprise all creditors as set out in Notes 15 and 16. At the balance sheet date the Group held financial assets at fair value through income or expenditure of £4,737k (2022: £6,278k) and Financial liabilities at amortised cost of £12,196k (2022: £13,001k).

3. Income

	Group unrestricted funds £'000	Group restricted funds £'000	Group endowment funds £'000	2023 Group total funds £'000	2022 Group funds £'000
Income from charitable activities:					
Income from donations and legacies					
Legacies	2,152	2,884	–	5,036	5,096
Donations from individuals and corporates	2,316	2,477	–	4,793	4,279
Donations from trusts	131	89	–	220	418
Donations from community and events fundraising	879	633	–	1,512	1,412
Gifts in kind	501	–	–	501	551
	5,979	6,083	–	12,062	11,756
Income from charitable activities					
Grants	27	1,521	–	1,548	1,283
Patient Insights	119	6	–	125	100
Amounts received under the government's Coronavirus Job Retention Scheme	–	–	–	–	–
	146	1,527	–	1,673	1,383
Income from trading activities					
Corporate income	38	12	–	50	33
Income from gaming	228	–	–	228	304
Sale of merchandise and health advice resources	86	13	–	99	44
	352	25	–	377	381
Income from investments					
Income from investment portfolio	104	409	44	557	416
Interest from cash deposits	38	–	–	38	3
	142	409	44	595	419
Total income	6,619	8,044	44	14,707	13,939

4. Trading activities of subsidiaries

Asthma + Lung UK has two wholly owned trading subsidiaries; Asthma Enterprises Limited, and ALUK Trading Limited (formerly BLF Services Limited).

Asthma Enterprises Limited

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity. There has been no trading activities in Asthma Enterprises Limited since 30 June 2022.

Summarised financial results for the year ending 30 June 2023 and the financial position at 30 June 2023 dates for Asthma Enterprises Limited, were:

	12 months to 30 June 2023 £'000	12 months to 30 June 2022 £'000
Operating results:		
Turnover	–	2
Cost of sales	–	–
Gross profit	–	2
Administrative expenses	(2)	(1)
Net profit for the year before gift aid donation to the charity	(2)	1
Interest received	1	
Gift aid donation to the charity	–	(1)
Net profit for the year	(1)	–
Balance sheet		
Current assets	111	105
Creditors: amounts falling due within one year	(12)	(5)
Net assets	99	100
Share capital	100	100
Retained profit/(loss)	(1)	
Shareholders' funds	99	100

Up until 31 December 2019 Asthma Enterprises Limited was a wholly-owned subsidiary of Asthma UK. On this date Asthma UK merged with the British Lung Foundation, forming Asthma + Lung UK and Asthma Enterprises became a wholly-owned subsidiary of the merged entity.

Any profits made by Asthma Enterprises Limited are paid by gift aid to the parent charity.

4. Trading activities of subsidiaries (continued)

ALUK Trading Limited

ALUK Trading Limited, a subsidiary, is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2023 and the financial position as at 30 June 2023 of ALUK Trading Limited, were:

	12 months to 30 June 2023 £'000	12 months to 30 June 2022 £'000
Operating results:		
Turnover	160	129
Cost of sales	(38)	(75)
Gross profit	122	54
Administrative expenses	(18)	-
Net profit for the year before Gift Aid donation to the charity	104	54
Gift Aid donation to the charity	(104)	(54)
Net profit for the year	-	-
Balance sheet		
Current assets	82	47
Creditors: amounts falling due within one year	(82)	(47)
Net assets	-	-
Share capital	-	-
Shareholders' funds	-	-

Any profits made by ALUK Trading Limited are paid by gift aid to the parent charity.

5. Research

	2023 £'000	2022 £'000
Awarded during the year	1,924	3,810
Grants written back	(119)	(60)
Total research grants charged in the year	1,805	3,750

A full list of research grants made during the year is detailed in Note 22.

6. Expenditure

	2023 £'000	2022 £'000
This is stated after charging:		
Depreciation	80	73
Amortisation	48	–
Auditors remuneration	42	35
Operating lease – land and buildings	311	308
Operating lease – other	13	13

7a. Analysis of total resources expended

	Grants to institutions £'000	Activities undertaken directly £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Cost of generating funds:					
Fundraising costs	–	3,436	1,597	5,033	4,872
Investment management fees	–	135	–	135	127
	–	3,571	1,597	5,168	4,999
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	1,805	816	380	3,001	5,026
Improving care	–	2,007	932	2,939	3,117
Advice and support	–	2,621	1,215	3,836	3,635
	1,805	5,444	2,527	9,776	11,778
Total	1,805	9,015	4,124	14,944	16,777

7b. Allocation of support costs

	Finance	Governance	Executive	IT	HR	Facilities	2023 Total	2022 Total
Cost of generating funds	242	47	217	647	185	259	1,597	1,506
Research	57	11	52	154	44	62	380	376
Improving care	141	27	127	378	108	151	932	964
Advice and support	182	36	165	494	141	197	1,215	1,124
	622	121	561	1,673	478	669	4,124	3,970

Support costs have been apportioned on the basis of the direct costs of each area of expenditure (excluding research grants awarded) as a proportion of total direct costs. Governance costs incurred in 2023 were £121k (2022: £141k). Governance costs include staff time spent on this activity, internal and external audit fees, and direct costs incurred by the board and its' sub-committees which are allocated per distinct budgetary activity.

8. Employees

	2023 £'000	2022 £'000
Salaries	6,895	6,166
National Insurance contributions	687	616
Employer's pension contributions	368	308
Temporary staff	73	284
	8,023	7,374

	2023	2022
Number of staff (head count based on number of staff employed):		
Charitable services	94	87
Fundraising	51	47
Central services	31	30
Chief Executive Office	3	3
	179	167

Employer pension contributions have been allocated to the fund to which the salary of the respective staff member has been charged.

9. Remuneration of the charity's key management personnel

The key management personnel of the charity include the Trustees, Chief Executive, Chief Operating Officer, Director of Research & Innovation, Director of Fundraising & Engagement, Director of Services and Director of External Affairs.

	2023	2022
	£'000	£'000
Total remuneration of key management personnel	713	666

The number of employees receiving remuneration of over £60,000 for the year was as follows:

	2023	2022
£60,001–£70,000	4	4
£70,001–£80,000	2	1
£80,001–£90,000	4	6
£90,001–£100,000	3	–
£100,001–£110,000	–	–
£110,001–£120,000	–	–
£120,001–£130,000	–	–
£130,001–£140,000	1	1
£140,001+	–	–

The pension costs in respect of these employees included in the above, amounted to £64,799.

Total remuneration including pension contribution for the Chief Executive Officer was £155,768.

10. Trustees expenses

None of the trustees received any remuneration during the year. Three of the Trustees' incurred expenses totalling £702.51 in the year (2021/22: £185.83).

11. Fixed assets

	Consolidated and Charity			Total £'000
	Short leasehold property £'000	Office furniture and equipment £'000	Computer equipment £'000	
Cost				
At 1 July 2022	67	47	467	581
Additions	-	57	114	171
Reclassified as intangible fixed assets			(385)	(385)
At 30 June 2023	67	104	196	367
Depreciation				
At 1 July 2022	44	30	114	188
Charge for the period	18	31	31	80
Reclassified as intangible fixed assets			(74)	(74)
At 30 June 2023	62	61	71	194
Net book value				
At 30 June 2022	5	43	125	173
At 30 June 2022	23	17	353	393

Capital commitments contracted but not provided for in the financial statements comprise £27,500 for the fit out costs of the new premises.

11. Intangible asset

	Computer software
Cost	
At 1 July 2022	-
Reclassified from tangible fixed assets	385
Additions	637
At 30 June 2023	1,022
Depreciation	
At 1 July 2022	-
Reclassified from tangible fixed assets	74
Charge for the period	48
At 30 June 2023	122
Net book value	
At 30 June 2023	900
At 30 June 2022	-

12. Investments: consolidated

	2023 Total investments £'000	2022 Total investments £'000
Market value as at 1 July 2022	17,350	17,589
Acquisitions	5,885	1,286
Sales proceeds	(5,621)	(1,322)
Investment management fees	(135)	(127)
Movement in cash deposits	(162)	110
Investment gain/(loss)	626	(186)
Market Value as at 30 June 2023	17,943	17,350
Investments: Charity only	2023 Total £'000	2022 Total £'000
UK Common investment funds	17,940	17,143
Cash	3	207
Investment in subsidiary	100	100
	18,043	17,450
Historical cost as at 30 June 2023	13,456	12,949

During 2022/23 Asthma + Lung UK tendered for a new Investment Management company. CCLA were the successful applicants. Investments held with Newton and Cazanove will be transferred to CCLA with the final transfer expected in August 2023.

The charity has two wholly owned subsidiaries; Asthma Enterprises Limited and ALUK Trading Limited. ALUK Trading Ltd supports the charity by carrying out ancilliary trading activities. Asthma Enterprises Ltd is a non trading subsidiary. The results of the two trading subsidiaries are set out in Note 4.

13. Investment property

Consolidated and charity	Consolidated and Charity Goswell Road £000's
Cost	
At 1 July 2022	1,600
Gain on revaluation	-
At 30 June 2023	1,600

The property on Goswell Road was transferred to investment property on the basis that the property is no longer being used for operational purposes by the charity.

The valuation was provided by Gryphon Property Partners as part of their disposal review. At the end of 2022/23 a revaluation was performed by Gryphon Property Partners with no change to the valuation.

14. Debtors

	Consolidated		Charity	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Trade debtors	56	200	36	200
Amounts due from Interco	–	–	50	23
Income tax recoverable – Gift aid	112	59	112	59
Other debtors	74	78	74	78
Prepayments	367	520	367	520
Accrued income	1,096	813	1,094	811
	1,705	1,670	1,733	1,691

At 30 June 2023, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £5.4 million (2021/22: £4 million), which had not been accrued.

15. Creditors' amounts falling due within one year

	Consolidated		Charity	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Trade creditors	60	210	60	210
Amounts due to Interco	–	–	–	–
Tax & Social Security	184	186	184	186
Research grants accrual	8,200	6,832	8,200	6,832
Other creditors	172	331	172	331
Other accruals	605	498	602	494
Deferred income	123	92	80	66
Provisions	184	132	184	132
	9,528	8,281	9,482	8,251

Research grants represent the value of grants made up to the balance sheet date that are payable within one year.

Deferred income comprises £40k (2022: £26k) of lottery income for subscriptions collected where the draw has not yet taken place, £21k (2022: £25k) of sponsorship income from fundraising events, such as marathons where the event has not yet taken place; and £20k (2022: £41k) of income received from a Trust for work to be carried out in future years.

Provisions comprise £184k for property dilapidations (2022: £132k).

16. Creditors' amounts falling after one year

	Consolidated		Charity	
	2023 £000's	2022 £000's	2023 £000's	2022 £000's
Research grants	2,668	4,720	2,668	4,720
	2,668	4,720	2,668	4,720

17. Grants

	2023 £000's	2022 £000's
Balance as at 1 July 2022	11,552	10,057
Grants awarded during the year	1,924	3,810
Grants written back	(119)	(60)
Payments during the year	(2,577)	(2,320)
Recharged to third parties	88	65
Balance as at 30 June 2023	10,868	11,552
Research commitments		
Awards falling due within one year	8,200	6,832
Awards falling due after more than one year	2,668	4,720
	10,868	11,552

18. Statement of funds

	Notes	1 July 2022 fund balance b/f £000's	Income £000's	Expenditure £000's	Investment Gains/ (Losses) £000's	Reallocation between funds £000's	30 June 2023 fund balance c/f £000's
Endowment funds							
Wells	(b)	108	4	(1)	7	–	118
Evetts	(a)	1,056	34	(8)	64	–	1,146
Mitchell		189	6	(1)	12	(206)	–
Glaxo Endowment fund	(c)	2,271	–	–	(41)	–	2,230
Total endowment		3,624	44	(10)	42	(206)	3,494
Restricted funds							
GSK-BLF Chair	(c)	(718)	82	(18)	(3)	–	(657)
Mesothelioma research	(d)	599	451	21	–	–	1,071
Victor Dahdelah Charitable fund	(e)	70	–	–	–	–	70
Taskforce for Lung Health		49	294	(209)	–	(60)	74
Garfield Weston Long Covid fund		16	–	–	–	–	16
NHS England Long-Covid fund		8	(10)	–	–	1	(1)
Fidelity Foundation infrastructure funds	(f)	200	–	(46)	–	(154)	–
Phosp Covid fund		(1)	–	–	–	1	–
NHS England – Green Inhalers		73	–	(45)	–	(28)	–
Childhood RSV		6	–	–	–	–	6
Digital Patient Passports		75	–	(10)	–	–	65
Clean Air Community Mobilisation		38	88	(119)	–	–	7
Breathe Easy funds		252	114	(113)	–	–	253
Other restricted funds	(g)	365	2,503	(701)	–	(1,198)	969
		1,032	3,522	(1,240)	(3)	(1,438)	1,873
Restricted to Asthma	(h)	4,079	4,522	(122)	619	(6,780)	2,318
Total restricted		5,111	8,044	(1,362)	616	(8,218)	4,191
Designated funds							
Fixed assets	(i)	393	–	(128)	–	808	1,073
Investment Property	(j)	1,600	–	–	–	–	1,600
Research Accelerator Fund	(k)	–	–	–	–	750	750
Fundraising Accelerator Fund	(k)	–	–	–	–	250	250
Strategy, brand, and investment fund	(l)	258	–	(170)	–	(88)	–
Total designated		2,251	–	(298)	–	1,720	3,673
General fund							
Unrestricted general fund		2,176	6,619	(13,274)	(32)	6,704	2,193
Total general funds		2,176	6,619	(13,274)	(32)	6,704	2,193
Total unrestricted		4,427	6,619	(13,572)	(32)	8,424	5,866
Total funds		13,162	14,707	(14,944)	626	–	13,551
Funds treated as Core for internal purposes:							
Restricted to asthma	(h)	4,079	4,522	(122)	619	(5,903)	3,195
Other core-purpose general restrictions		82	578	–	–	(660)	–
Unrestricted general fund		2,176	6,619	(13,274)	(32)	6,704	2,193
Total Core		6,337	11,719	(13,396)	587	141	5,388
Endowment funds		3,624	44	(10)	42	(206)	3,494
Restricted funds		950	2,944	(1,240)	(3)	(1,655)	996
Designated funds		2,251	–	(298)	–	1,720	3,673
Total non-core funds		6,825	2,988	(1,548)	39	(141)	8,163
Total funds		13,162	14,707	(14,944)	626	–	13,551

18. Statement of funds (continued)

As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. These donations fulfil our core charitable purpose and are akin to unrestricted reserves in that sense, so we group them together with unrestricted free reserves as core reserves. This simplifies our management of reserves, whilst ensuring we comply with our donors' wishes. As outlined in our Trustees' Annual Report, when we set our reserves target we compare it to the total level of core reserves, which is shown in the table above.

- (a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.
- (b) Peggy Wells fund was endowed for research activity.
- (c) The Glaxo Endowment Fund and the restricted Glaxo Chair fund relate to a permanent endowment, the income from which is used to fund a research Chair post. The balance on the restricted fund is currently in deficit but will be replenished with the income received from the investment fund in which the endowment is held. Going forward, the trustees plan to implement a policy of total return which will guarantee sufficient income is paid into the fund so as to maintain our ability to fund the related research posts, whilst recovering the deficit. The deficit arose as a result of an historic accounting error which was corrected during the 2021–22 year.
- (d) Several donors, including an insurance company, have restricted their donations to fund various research projects into mesothelioma.
- (e) Funding from the Victor Dahdaleh Charitable Foundation is used to fund research into Mesothelioma and has been used to launch the mesothelioma research network.
- (f) The Fidelity Foundation has provided funding towards the building of a new Customer Relationship Manager system (£270,000) and to fund various strategic projects (£30,000) which was completed in March 2023.
- (g) Other restricted funds consist largely of project-related activity funds, or condition-specific funds which may be spent relating only to a condition or set of conditions within the portfolio of conditions the charity supports.
- (h) The restricted fund for asthma was created upon the merger of Asthma UK and the British Lung Foundation, consisting of the net unrestricted assets of Asthma UK as at 31 December 2019. Income raised under the Asthma UK brand prior to our relaunch as Asthma and Lung UK is deemed restricted to asthma and is added to this fund. This also applies to any regular donations committed under Asthma UK, or donations where the donor has expressed a wish that the money be spent on asthma. Direct expenditure and the costs of raising money restricted to asthma are charged directly to the fund. Under the legal agreement for the merger, it was agreed that 45% of all indirect costs incurred for the benefit of all lung conditions would be transferred into unrestricted funds. These are principally the general running costs of the organisation, and any charitable spend which benefits all lung conditions including asthma, as well as the costs of generating those funds. From 1 July 2022 a new methodology is in place, as set out in our Trustees' Annual Report.
- (i) The fixed asset fund relates to the short-term leasehold of the charity's head office at Mansell Street, office furniture and equipment and various software systems.
- (j) The investment property fund relates to the charity's office in Goswell Road, London. The property is held on a long-term (973 year unexpired) lease and was formerly an operational asset, being the registered office of the British Lung Foundation prior to the merger. During the 2021–22 financial year the trustees resolved to dispose of the property through either sale or rental, and so the asset has been reclassified as a property held for investment.
- (k) The trustees at the June 2023 meeting approved two designated funds to accelerate growth in research and fundraising.
- (l) In 2020/21, a new designated fund was created to fund strategic projects including the development of a new brand and raising awareness after launch. These projects were completed in March 2023.

18. Statement of funds (continued)

	Group designated funds £000's	Group unrestricted funds £000's	Group restricted funds £000's	Group endowment funds £000's	2023 Total funds £000's
Fund balances as at 30 June 2023 are represented by:					
Fixed assets	1,073	–	–	–	1,073
Investments	–	2,300	12,149	3,494	17,943
Investment Property	1,600	–	–	–	1,600
Net current assets/(liabilities)	1,000	2,561	(7,958)	–	(4,397)
Non-current liabilities		(2,668)			(2,668)
Total funds	3,673	2,193	4,191	3,494	13,551

19. Taxation

Asthma + Lung UK is a charity within the meaning of Part 1 of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 Schedule 6 to the Finance Act 2010. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

20. Lease commitments

At 30 June 2023 Asthma + Lung UK had annual commitments under non cancellable operating leases as set out below:

	2023 Land and buildings £000's	2022 Other £000's	2022 Land and buildings £000's	2022 Other £000's
Operating leases which expire:				
Within one year	209	13	304	12
In the second to fifth years inclusive	–	13	50	26
Over five years	–	–	–	–
	209	26	354	38

21. Related party transactions

The trustees in office during the year are listed on pages 71-74.

Asthma + Lung UK is a registered charity and company limited by guarantee and does not have share capital. The trustees have no financial interest in the charity's results or assets and received no remuneration for acting in that capacity.

In 2021 the charity appointed TPXimpact to scope and develop a new single website for the charity, which launched in early 2023. The appointment was made following a robust procurement process overseen by a firm of independent advisors, Hart Square.

TPXimpact was itself formed from mergers and acquisitions of a number of technology companies. One of these, Manifesto, was co-founded by one of our trustees, Jim Bowes. Jim served as its Chief Executive until September 2021, when he stepped down. Jim has no ongoing management or ownership control of the organisation and is a minority shareholder. However he is a close associate of the directors of TPXimpact.

The total value of fund spent with TPXimpact during the year is £257k (2021–22 £66k) of which £12k was paid to TPXimpact for the continued support of the website and £245k related to the capital commitment for the development of our new website and content management system which was completed in late 2022.

During the financial year, the charity charged ALUK Trading Ltd £17k (21/22: £10k) for provision of staff and £58k (21/22: £65k) for expenses incurred on behalf of the subsidiary. Additionally, the charity collected £110k (21/22: £95k) of income on behalf of ALUK Trading Ltd.

At 30th June 2023, ALUK Trading Ltd owed the charity £38k (21/22: £23k).

During the financial year, the charity charged Asthma Enterprises Ltd £0k (21/22: £1k) for expenses incurred on behalf of the subsidiary.

At 30th June 2023, Asthma Enterprises Ltd owed the charity £11k (21/22: £3k), and ALUK Trading Ltd £1k (21/22: £nil).

There are no other disclosable related party transactions other than those disclosed in Note 10.

22. Grants awards during the year

During the year the Trustees awarded the following grants.

Grant amount £000's	Awarded to	Grant duration
300	Professor Adrian Martineau	36 months
288	Professor Gabriel Lambert	22 months
49	Professor Helen Groves	37 months
239	Mr Nick Grompertz	12 months
300	Professor Nayia Petousi	36 months
295	Professor Salman Siddiqui	30 months
91	Professor Caroline Jolley	17 months
96	Professor Freddy Frost	18 months
78	Dr Helen Ashdown	18 months
96	Dr James Brown	13 months
92	Dr James Pease	15 months
1,924	Total grants awarded	

23. Grants received

In accordance with agreements entered into with grantors, the charity acknowledges the receipt of the following grants included within the total in the statement of financial activities.

Incoming resources 2023 £000's	Funder	Purpose of funding
280	Impact on Urban Health & Guy's & St Thomas' Foundation	Fairer Air
142	Clean Air Fund & Impact on Urban Health	Healthy Air
114	Sport England CwA	Physical Activity
59	Guy's and St Thomas' Foundation	Supported our work around COP26
67	Astra Zeneca	MART Action Plan
50	Kusuma Trust	Kusuma Little Lungs Pilot
19	Various	Sex Hormones & Asthma
88	CAF: Clean Air Community Mobilisation	Clean air in the city – supports our regional clean air work in key cities such as Manchester, Birmingham and Glasgow etc (expansion and development of previous partnership)
696	BEIS/MRC: UK Government Covid Medical Research	A+LUK Research
6	Various	Various purposes
27	Various	Unrestricted – For small research projects
1,548		

24. SOFA split for prior year (2022) between unrestricted, restricted and endowment

	Unrestricted funds £000's	Restricted funds £000's	Endowment funds £000's	30 June 2022 total funds £000's
Income from:				
Donations and Legacies	5,357	6,366	33	11,756
Charitable activities	100	1,283	–	1,383
Other trading activities	236	145	–	381
Investments	77	342	–	419
Total income	5,770	8,136	33	13,939
Expenditure on:				
Expenditure on raising donations and legacies	3,583	1,289	–	4,872
Investment management costs	23	82	22	127
Total expenditure on raising funds	3,606	1,371	22	4,999
Net incoming resources available for charitable application	2,164	6,765	11	8,940
Charitable activities:				
Research	1,915	3,111	–	5,026
Improving care	2,363	754	–	3,117
Advice and support	2,974	661	–	3,635
Total expenditure on charitable activities	7,252	4,526	–	11,778
Total expenditure	10,858	5,897	22	16,777
Net income/(expenditure) before investment gains	(5,088)	2,239	11	(2,838)
Gains/(losses) on investments funds	(63)	(100)	(23)	(186)
Gains on investment assets	789	–	–	789
Net income/(expenditure)	(4,362)	2,139	(12)	(2,235)
Transfers between funds	4,304	(4,304)	–	–
Net movement in funds	(58)	(2,165)	(12)	(2,235)
Reconciliation of funds:				
Fund balances brought forward at 1 July 2021	4,485	7,276	3,636	15,397
Net movement in funds	(58)	(2,165)	(12)	(2,235)
Fund balances carried forward at 30 June 2022	4,427	5,111	3,624	13,162

25. Post balance sheet events

There are no post balance sheet events.

Company information

Company name

Asthma and Lung UK stylised as
“Asthma + Lung UK”.

Company number

01863614 (England and Wales)
005851F (Isle of Man)

Charity name

Asthma and Lung UK (since February 2022), stylised as
“Asthma + Lung UK”.

Previous names

Asthma UK and British Lung Foundation Partnership
(January 2020 to February 2022)
Asthma UK (Up until January 2020)
British Lung Foundation (Up until January 2020)

Charity number 326730 (England and Wales)
SC038415 (Scotland) 1177 (Isle of Man)

Presidents

Professor Sir Michael Marmot
The RT Hon Sir John Major, KG, CH

Patron

HRH The Duchess of Gloucester, GCVO

Trustees

Baroness Tessa Blackstone – Chair (resigned
October 2022)
Professor Ian Hall – Vice Chair
John Graham – Chair of the Finance and
Audit Committee
Jim Bowes – Chair of the Nominations and
Remuneration Committee
Emily Bushby (resigned December 2022)
Dr Isabel Divanna (resigned October 2022)
Professor Edwin Chilvers (resigned April 2023)
Niren Patel
Katherine Morgan
Professor Ian Sabroe
Caroline Cartellieri Karlsen
Michael O’Connor
Tamara Ingram, OBE – Chair (appointed
November 2022)
Victor Cholij (appointed June 2023)
John Hannaford (appointed August 2023)

Company Secretary

Ben Clarkson

Key senior management

Sarah Woolnough – Chief Executive
(resigned 5th December 2023)
Dr Samantha Walker – Director of Research and
Innovation, and Interim Chief Executive from
5 December 2023
Ben Clarkson – Chief Operating Officer
Henry Gregg – Director of External Affairs
James Culling – Director of Fundraising
and Engagement
Mike McKeivitt – Director of Services

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London

Auditors

Crowe U.K.
55 Ludgate Hill
London

Solicitors

Bates Wells LLP
10 Queen Street Place
London

Investment managers

Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London

Cazenove Capital
1 London Wall Place
London

CCLA
One Angel Place, London

Registered office address

18 Mansell Street
London
E1 8AA
Until 15 January 2024

The White Chapel Building
10 Whitechapel High Street
London E1 8QS

After 15 January 2024

W: www.asthmaandlung.org.uk

Asthma + Lung UK

The White Chapel Building
10 Whitechapel High Street
London E1 8QS

0300 222 5800

info@asthmaandlung.org.uk

AsthmaAndLung.org.uk



Asthma and Lung UK is a charitable company limited by guarantee with company registration number 01863614, with registered charity number 326730 in England and Wales, SC038415 in Scotland, and 1177 in the Isle of Man.

Asthma and Lung UK

England & Wales - Charity number 326730

Accounts

BREATH IS LIFE

2021-22
Annual report and
financial statements

The logo for Asthma+ Lung UK features the text 'ASTHMA+' stacked above 'LUNG UK' in a bold, white, sans-serif font. The text is centered within a graphic composed of four overlapping, semi-transparent rectangular blocks in shades of purple, blue, and orange, arranged in a cross-like pattern.

ASTHMA+
LUNG UK

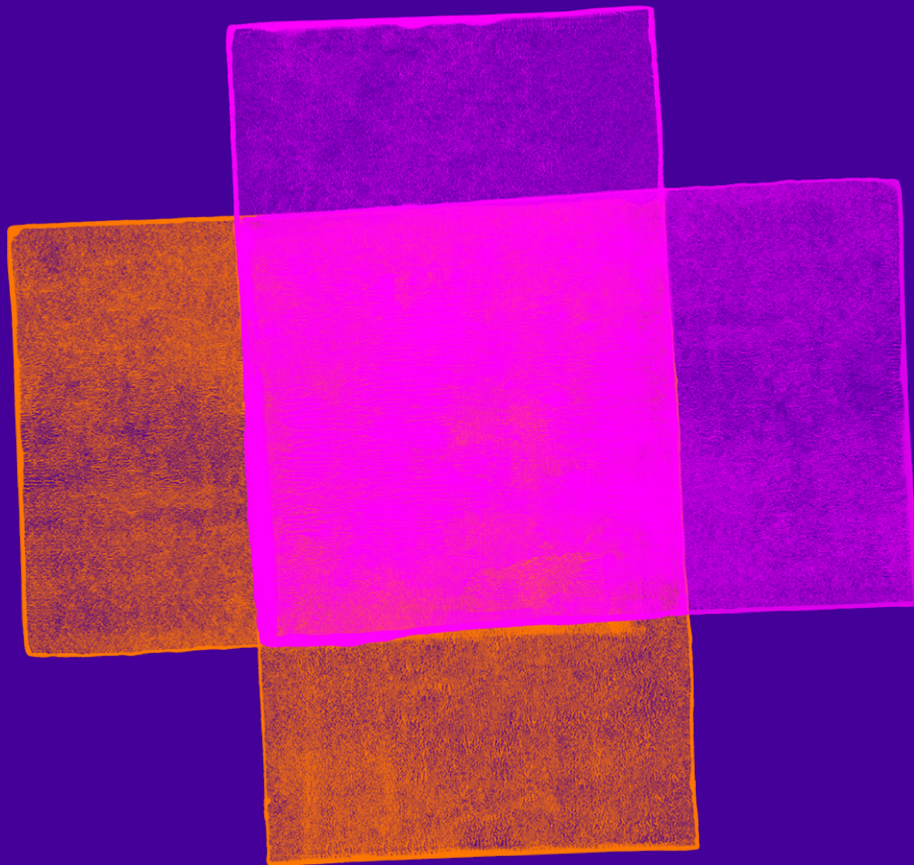
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Why we're here

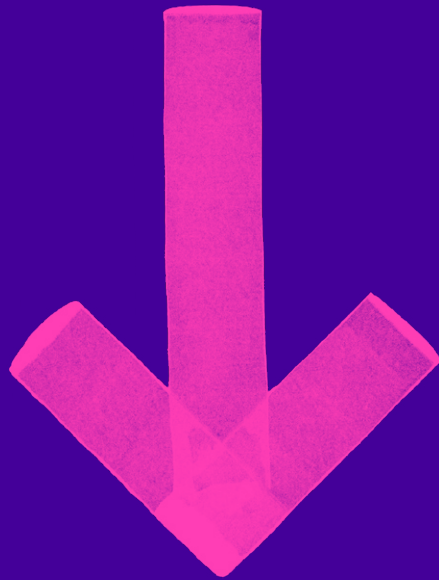
Who we are

Asthma + Lung UK is the lung health charity fighting for everyone's right to breathe, here to support the 12 million people in the UK who will have a lung condition during their lifetime. Whether it's asthma, COPD or rarer conditions like bronchiectasis and Idiopathic Pulmonary Fibrosis (IPF), we're here to provide expert advice and support through our helpline, support groups and health advice. We fund cutting-edge research, and provide advice and support for people who will get a lung condition during their lifetime. We also campaign for clean air and better NHS diagnosis and treatment. Asthma + Lung UK was launched as a new brand and with a new strategy in February 2022, following the merger of two charities – Asthma UK and the British Lung Foundation – in January 2020.



Why we need change

For too long, lung health has been side-lined, under-treated and under-resourced. Lung conditions are the third biggest cause of death in the UK, we have the worst death-rates in western Europe and hospital admissions are rising and set to continue to rise. Too many people breathe toxic air, which is causing lung conditions to worsen and causing new ones. There are misconceptions that illnesses like asthma, bronchiectasis and COPD aren't life-threatening or serious, preventing people from getting timely and effective diagnosis and treatment. **And despite the importance of lung health, less than 2% of all publicly funded research in the UK is spent on finding cures and treatments for lung conditions.**



OUR VISION

is a world where everyone has healthy lungs

OUR MISSION

is to drive the transformation of lung health

OUR SUPPORT

helps people who struggle to breathe

OUR RESEARCH

finds new ways to cure lung disease

OUR CAMPAIGNS

help make vital, lasting changes

Our values

1

We have courage

2

We always push
for better

3

We empower our people
to be their best

4

We work as one

5

We listen and understand

Our new strategy sets out our plans over the next five years to transform the nation's lung health and we've committed to doing this through:

1

Support

Offering all people with lung conditions information, advice and ongoing support when they're diagnosed, and ensuring we'll be there during crisis when they need us most.

2

Awareness

Raising awareness of the seriousness of lung conditions and tackling negative attitudes that have seen lung health neglected and held back progress for so long.

3

Funding

Funding the best science and brightest minds to find new solutions to the biggest challenges in lung disease prevention, diagnosis, treatment and management, and campaigning for the government to triple its funding.

4

Campaigning

Campaigning for change to improve the lives of people with lung conditions including urging government and funders to clean up air pollution, provide better access to care and tackle health inequalities.

Through this work and by galvanising the support of governments, funders, other charities and our incredible campaigners, volunteers and supporters, by 2027 our ambition is that:

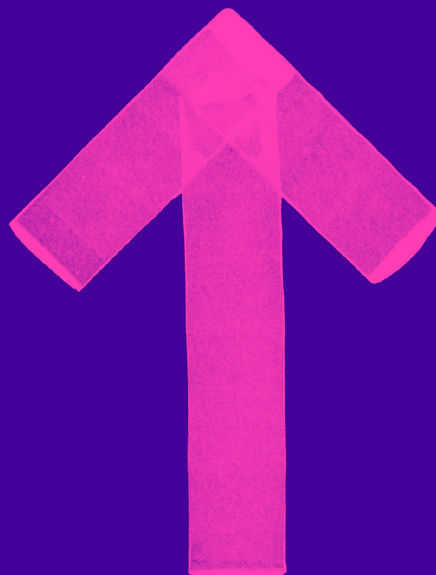
Public funding for lung research will have tripled to £150 million each year

Hospital admissions linked to spikes in air pollution and the number of early deaths linked to long-term exposure have reduced

Unplanned hospital admissions and A&E visits for asthma and COPD have dropped by 40% and 30% respectively

New methods have been developed to diagnose lung conditions with greater accuracy and speed

Public awareness of the seriousness of lung conditions – and signs and symptoms – have improved



Statement from the Chief Executive

This year has been momentous for both Asthma + Lung UK and for the nation's lung health.

After merging at the beginning of 2020, in February 2022 we rebranded, launching a bold new name, identity and strategy to transform the nation's lung health.

This was the culmination of over a year's work, consulting thousands of beneficiaries, members of the public interested in lung health, supporters, volunteers, academics, clinicians, policy makers and other key partners. We heard time and again: for too long, people living with lung conditions have been ignored, deprioritised, forgotten and not taken seriously. Lung health has not received proportionate funding for research – to find new ways to prevent, diagnose, treat and manage disease. And people have not been able to access high quality healthcare and support consistently. Efforts to prevent disease have lacked ambition, particularly around clean air.

The people we spoke to were impatient for change. They wanted a bolder, more urgent force campaigning for improvements on their behalf. They wanted a national charity that felt contemporary and was ambitious to ensure everyone with a lung condition can live life as fully as possible. They wanted a national charity tackling the misconceptions about lung disease head on. And they wanted the world to know that struggling to breathe is terrifying, and we must do better for the 12 million who will experience a lung condition in their lifetime.

“We couldn't do any of our work without the incredibly generous support of all those who give us time and money.”

We have risen to the challenge, developing a bold new vision and strategy to drive the transformation in lung health. And we have begun to deliver the impact people so desperately need; successfully campaigning for cleaner air in several cities, diversifying our support offer to reach many more of those living with lung conditions, attracting more than 12 million visits to our website for health advice and support with our health advice and support and funding world class research to find new ways to diagnose and treat lung conditions. We explore this in detail in the following pages.

The last year has also been momentous as we've continued to tackle COVID-19. The pandemic has impacted many of our beneficiary group who shielded or struggled to get a diagnosis and treatment as the health service faced extreme pressure.

We have convened the respiratory community to better understand the backlog in respiratory care and begin to tackle it. We have diversified our support offer, to help get people with lung conditions exercising, singing and spending time with one another again, to tackle isolation and loneliness. And we have worked tirelessly to support those with Long COVID breathlessness, to help them get the advice and help they need.

We couldn't do any of our work without the incredibly generous support of all those who give us time and money – from regular monthly donors to marathon runners, to highly valued corporate partners and group volunteers. A huge thank you to all who have supported us this year to make our lifesaving work possible.

Finally, I would like to pay tribute to our outgoing Chair of Trustees, Baroness Tessa Blackstone, who first led the British Lung Foundation, and then Asthma + Lung UK so expertly. Baroness Blackstone successfully steered the charity through the merger, and we owe her a huge debt of gratitude for her commitment to all with a lung condition.



Sarah Woolnough

Chief Executive, Asthma + Lung UK



The year in review

**We funded more
than £3 million of
ground-breaking
research**



Our impact in 2021-22

We're really proud to have supported millions of people with lung conditions last year, providing advice and support through our helpline and support groups and driving behaviour change through campaigns to raise awareness of the signs and symptoms of RSV and bronchiolitis, the support people can get with Long COVID and the importance of getting a flu vaccine.

We funded more than £3 million of ground-breaking research into studies investigating new therapeutics for bronchiectasis and pulmonary fibrosis, how sex hormones affect the airways in women with asthma, and improving early diagnosis in mesothelioma.

We've galvanised thousands of campaigners to call for local and national governments to tackle air pollution – resulting in new clean air measures in Portsmouth, Glasgow and Sefton and a commitment from the Mayor of London to bring an expanded Ultra Low Emission Zone which will clean up the air for millions of Londoners.

“The fundraising climate has been challenging, with several key face-to-face fundraising events cancelled, a move away from office working and from other face-to-face community or social events affecting our ability to fundraise.”

We've tackled health inequalities by creating health advice in more than seven languages, opening support groups in religious settings and building equity, diversity and inclusion considerations into our recruitment practices.

We couldn't have achieved any of this without our incredible group of volunteers who have generously given their time to support us, whether that's running a support group, using their experience and needs to inform our services and health advice, or sharing their story with the media to help us raise awareness of the seriousness of lung conditions and our key campaigns.

More than 2,200 committed fundraisers have this year taken part in races and marathons up and down the country, held bake sales, golf days and school fundraisers to raise vital funds. We are of course grateful to our trustees for their continued guidance and support. This has all been in spite of a challenging backdrop. We have continued to see an increased demand for our services following the pandemic, with people needing our help more than ever. The pandemic has caused delays and cancellations of routine GP and hospital appointments and spirometry, a diagnostic test, was suspended, meaning many people with lung conditions did not get the early diagnosis, advice, support or the care they needed.

While pandemic restrictions lifted in 2021, many people living with lung conditions were forced to shield during the crisis and are understandably cautious about face-to-face interactions, so we have had to adapt some of our services to ensure no one misses out on our support.

“We’ve tackled health inequalities by creating health advice in more than seven languages, opening support groups in religious settings and building equity, diversity and inclusion considerations into our recruitment practices.”

The fundraising climate has been challenging, with several face-to-face fundraising events cancelled, a move away from office working and from other community or social events affecting our ability to fundraise. Towards the end of the financial year, we saw an increase in inflation and costs for energy, and the cost-of-living crisis hit, which has unsurprisingly affected our income, particularly from investments.

But with all these challenges came opportunity – it was clear that we needed to support people with lung conditions more than ever. To do this we needed a powerful new brand that would help us cut through and a new strategy to give us a clear direction of travel, which we successfully launched at the end of February. We also adapted our services, ensuring we offered support groups online and face-to-face, that our helpline team could help people with lung conditions push for health reviews and treatment plans, and we continued to provide timely and relevant health advice on our website on topics such as COVID-19 and the cost of living.



Our impact in numbers

30,000

people have received health advice and support from our helpline team through email, phone and WhatsApp

12 million

website visits for health advice on topics including asthma, COPD, bronchiectasis and bronchiolitis

12,500

people have accessed support for Long COVID using our online tool

280

volunteers have helped us run more than 150 support groups around the country

100+

pieces of positive feedback from beneficiaries, corporate partners on our rebrand

32+

products for people with lung conditions we have supported innovators in developing

£3.8m

spent on research this year

2,200

people took part in a challenge event for us this year

11,000

pieces of media coverage in newspapers, magazines, online and on radio and TV

292

meetings with elected representatives at all levels of government and across the UK

11

celebrities have supported us, including Stephen Fry, Rosemary Conley, Dr Ranj Singh, Toby Anstis and Priya Gopaldas

6,000

campaigners have supported our campaigns to tackle air pollution

**We revealed that
the UK had the
worst death rate
for lung conditions
in Western Europe**



Achievements and performance

Launching Asthma + Lung UK

After over a year of work and consultation with thousands of beneficiaries, staff, supporters, volunteers, academics, members of the public, policy makers and other key stakeholders we launched our new identity and ambitious five year strategy to transform lung health in early 2022.

The new brand and strategy required a whole-charity effort to move to a single identity, ensuring that people understood we are now a bigger, more united force offering advice, support, services, and continuing to fund world class research and campaign on their behalf. A huge outreach effort was undertaken to ensure all our supporters and partners understood the change.

To give the re-launch profile we released a policy report exposing the shameful state of the nation's lung health, a hard-hitting media story where we revealed for the first time that the UK had the worst death rate for lung conditions in western Europe, a brand campaign to introduce our new name and identity to the world and high profile events including in parliaments across the UK, engaging more than 200 stakeholders to celebrate our new strategy. We secured more than 550 pieces of media coverage including the BBC, The Times, The Guardian, Daily Express, reached more than 210,000 people across our social media channels and saw a ten-fold increase of reach on Twitter. Our brand launch secured more than 100 pieces of positive feedback from staff, beneficiaries, sector peers, highranking policy officials and corporate partners. As a result of our brand campaign, we won Communications Team of the Year at the Third Sector Awards.

Services

This year, we're so proud that our multidisciplinary helpline team have been able to support over 30,000 people with lung conditions through calls, email, WhatsApp and social media providing vital support on diverse lung conditions, from asthma to COPD and IPF and providing advice on everything from claiming benefits advice to managing a new diagnosis and symptoms. In addition to supporting patients and healthcare professionals with information and advice, we've raised awareness of lung conditions, their triggers and the impact of air pollution amongst hundreds of children through health education talks in schools.

We've provided accurate, timely and easy-to-access health advice to millions of people living with lung conditions, through our website and printed information, helping people understand and improve the management of their lung condition. Our health advice covers a broad range of lung conditions and topics including our essential inhaler technique videos, self-management plans and tools, emergency asthma attack advice, breathlessness support, exercise resources, breathing issues in children, and guidance on how to access the best care – which is proven to improve outcomes for people with lung conditions.

We've also launched a number of health advice campaigns this year to raise awareness of key issues which may affect people with lung conditions – and offer advice to better manage their condition, preventing asthma attacks and flare-ups. For example, during the winter of 2021 (November to January), we launched our campaign, funded by NHS England, to highlight the dangers of respiratory syncytial virus (RSV) and bronchiolitis for parents and carers. We used insight gathered from a survey, focus groups and the latest reliable evidence to review and update our online health information, created videos – available in five different languages to reduce barriers of access and help address health inequality – and provided specialist training to our helpline team. We publicised our new health advice through our social media channels and the media with our web pages being viewed almost 170,000 times and 5,000 views of our videos. The content was rated as useful or extremely useful by 88% of people who saw it.

“Our volunteers provide invaluable knowledge, help and support to our organisation and we are so grateful for the different ways in which people support our work.”

With figures showing that more than 2 million people in the UK were likely to have Long COVID, we were determined to offer support to this growing population so, funded by NHS England we created an online tool – My Long Covid Needs – which we launched in January 2022 to help people understand their current Long COVID symptoms, what to do next and where to get help. More than 12,500 people have used the tool, which includes an option to print out their results and share with their GP so they can have a shared decision-making conversation about the next steps in their care.



And thanks to funding from the pharmaceutical companies Sanofi, Seqirus and MSD, we were proud to launch a campaign to encourage people with lung conditions to get their flu vaccine, as flu is a top trigger for asthma attacks and causes existing lung conditions to worsen. We had videos and blogs featuring people with lung conditions recommending the vaccine, four new web pages translated into seven different languages and a social media marketing campaign with adverts in publications such as *The Voice*, *Asian Voice*, *Asian Lite* and *Bangla Post* to help us reach less engaged communities. More than 6,800 people accessed our advice pages as a result of the campaign.

Our volunteers provide invaluable knowledge, help and support to our organisation and we are so grateful for the different ways in which people support our work. Thanks to more than 280 volunteers, we've been able to offer 150 support groups this year, online and face-to-face, spanning the whole of the UK from Dover to Dunfermline.

These support groups provide information, friendship and skills to people with lung conditions to help them self-manage their conditions and this has been much needed as many of our beneficiaries who had been shielding have adapted to the pandemic restrictions lifting.

We have launched seven new online support groups which have given us the opportunity to connect with even more members. They help tackle social isolation, boost people's mood, get them moving after a long period of inactivity and enable them to get expert advice on everything from exercise to mindfulness and meditation to pulmonary rehabilitation. Many have even learned a new skill as we launched a group where people could play the harmonica, as research shows playing a wind instrument can help people with their breathing.

Volunteers

Our volunteers remain crucial to our ability to deliver many of our services as well as supporting many other aspects of our work. From trustees and fundraisers to the person who makes the teas at one of our support groups, volunteers are the life blood of the organisation. Supporting our volunteers to ensure they have a rewarding experience is just as important as supporting our paid staff.

With this in mind, this year we have appointed a Volunteer Engagement Manager and developed a new volunteer engagement strategy. We have created an internal cross-organisation volunteer ambassador team and have worked hard at fine-tuning an induction process that supports our volunteers effectively and that fits well with our new CRM.



Quotes from our beneficiaries

“I just thought how strange this was for me because without COVID I would not be meeting all of you and sharing in this way. I was never able to get to your conferences but now I have met so many lovely people – all of us with a common ailment, our lungs. One of our members said she had learnt more in the last year about her condition than ever before. I had to agree. We are all grateful.”

Eileen

Phillipa from the harmonica support group called and wanted to thank us, she spoke to the team, who gave her loads of advice to go back to her GP with. She said her GP was quite taken aback with all her knowledge, and she now has a plan in place. Wanted to pass on her thanks!!

“I’d just like to say thank you for all you do. I’ve been coming along to your online groups for a year now and they have been such a positive addition to my life which like many people with a lung condition is a lonely scary existence especially when you live on your own. I also have an autoimmune condition, so I only really go out for medical appointments.”

Chloe

Research and innovation

This year, we've invested a further £3.8 million into research, using Association of Medical Research Charities guidelines to ensure they are of the highest standard. Our scientists will be examining how female hormones may play a part in exacerbating asthma symptoms, seeing if antibiotics might help alleviate pulmonary fibrosis, a condition where scarring on the lungs becomes increasingly worse and breathing becomes increasingly difficult. Our research spans all lung conditions from asthma to chronic obstructive pulmonary disease (COPD), to interstitial lung diseases (ILDs), bronchiectasis, preschool wheeze, infections including COVID-19 and Long COVID, and mesothelioma.

“We've invested a further £3.8 million into research, using Association of Medical Research Charities guidelines to ensure they are of the highest standard.”

As well as investing directly in research, we have awarded chair awards to Professor Mona Bafadhel (King's College London), Professor Philip Molyneaux (Imperial College London) and Professor Amelia Shoemark (University of Dundee) to champion the next generation of leaders in research around female sex hormones and asthma, IPF and bronchiectasis. And, in collaboration with the American Thoracic Society, we awarded 20 travel fellowships to some of the brightest new talent in respiratory research. These awards allowed these early-career researchers to not only present their work at one of the largest conferences in this area, but to learn more about their subject, meet mentors, forge new collaborations and represent Asthma + Lung UK at a global level.

In addition to investing in research, we have also played an important role in ensuring that any new health products that are developed to help people manage or treat their lung conditions will truly benefit patients. Through our Respiratory Insights service we connect researchers and commercial companies with beneficiaries so their lived experience is at the forefront of developing solutions. One example of this work involved connecting beneficiaries with asthma who worked in shift patterns with Dr Hannah Durrington, who has been studying the role of our body clock in asthma. This year we actively worked on or supported 32 funded projects (up from 27 in 2020–21) which cover the breadth of respiratory conditions and have secured an additional £40,000 to invest in this important service next year.

Of course, in order to achieve our ambition of increasing public spend on lung research, we need to do more than fund our own research – we need to collaborate with other funders, show them the importance of lung research and influence them to invest. We've collaborated closely with the Office for Life Sciences (OLS) to capitalise on the government's new focus on lung disease and we've developed an ambitious vision showcasing how investment in lung research and innovation could reduce deaths and hospitalisations from lung disease over the next 5–10 years. We've convened leading academics, industry partners and government officials to discuss how we can form more impactful partnerships to drive further research and innovation. We've also supported the UK's largest ever health research programme, Our Future Health, which could provide unprecedented population health information on lung health.



**We've been
funding research
into lung conditions
for over 40 years**

Campaigning

We are really proud that this year our influencing work has secured new clean air targets in law following hard-hitting policy reports, such as *Clear the air* and *Alerting the nation*.

Cleaning up toxic air

We developed and publicised shocking new analysis showing that every two minutes a baby is born breathing toxic air and exposing new estimates of the number of people with asthma and COPD affected by air pollution. We also held meetings with more than 22 key policymakers at major climate change conference COP26, engaged with more than 800 members of the public and galvanised the support of more than 6,000 campaigners. Our network of clean air campaigners have helped us fight for clean air across UK cities, helping launch and assess the impact of several Clean Air Zones, with a commitment from the Mayor of London to expand the Ultra-Low Emission Zone, which will benefit hundreds of thousands of people with lung conditions in London.

Through re-establishing cross-party groups for clean air and lung health in Wales, working collaboratively with Healthy Air Cymru, and working closely with the new Deputy Minister of Climate Change, we have also had the promise of a new Clean Air Bill in Wales listed in the new Legislative Statement. We've supported the implementation of the Cleaner Air Scotland strategy by leading their health working group and shaping new guidance, and supported private vehicles being included under the Low Emission Zones for the first time in May 2022 in Aberdeen, Dundee, Edinburgh and Glasgow. We have been engaging with new Members of the Legislative Assembly (MLAs) in Northern Ireland, raising the profile of our new brand and our policy asks, including calling for a Clean Air Strategy and Clean Air Bill to reduce air pollution and improve lung health.



Devolved nations

In Northern Ireland we spent much of the year developing our first charity manifesto and engaging political parties with the asks. We made 5 calls of political parties and candidates – deliver a Clean Air Strategy and Clean Air Bill to reduce air pollution and improve lung health; campaign for a smoke-free Northern Ireland by the mid-2030s; champion a regional lung screening programme to identify undiagnosed lung conditions and get people the treatment they need; call for a Lung Health Strategy that will ensure the best care for all living with a lung condition; and support the Right to Rehab, so that everyone with a lung condition gets the rehabilitation they need.

The election successfully raised the profile of the new brand and our policy asks, and we have been engaging new Members of the Legislative Assembly (MLAs) since.

In Scotland and Wales we used the opportunity of elections in May 2021 to engage with new Members of the Senedd (MSs) and Members of the Scottish Parliament (MSPs) throughout 2021-22 appointing new Lung Health champions and e-establishing the Cross-Party Group on Lung Health in Scotland. In Wales, we re-established the Cross-Party Group on a Clean Air Act and launched a new Cross-Party Group on Lung Health.

Since the elections, we've been working with the Scottish Government to implement the Respiratory Care Action Plan, sitting on condition specific working groups and representing the voices of people with lung conditions. We are supporting the implementation of the Cleaner Air Scotland strategy by leading their health working group, shaping new guidance and helping with behavioural change. In May 2022 private vehicles came under the Low Emission Zones for the first time with the aim of tackling air pollution in Aberdeen, Dundee, Edinburgh and Glasgow.

In Wales, our respiratory health work has focussed on restarting services and highlighting Wales having the highest number of respiratory deaths in western Europe. We used the new Cross-Party Group on Lung Health to raise the profile of lung conditions with Members of the Senedd (MSs) and Members of the Scottish Parliament and push for changes. Through Healthy Air Cymru we secured support from four parties support for a Clean Air Act in the 2021 election and we have been working with the new deputy minister for climate change to see this delivered. In July 2022, a Clean Air Bill was listed in the new Legislative Statement.



Improving access to care

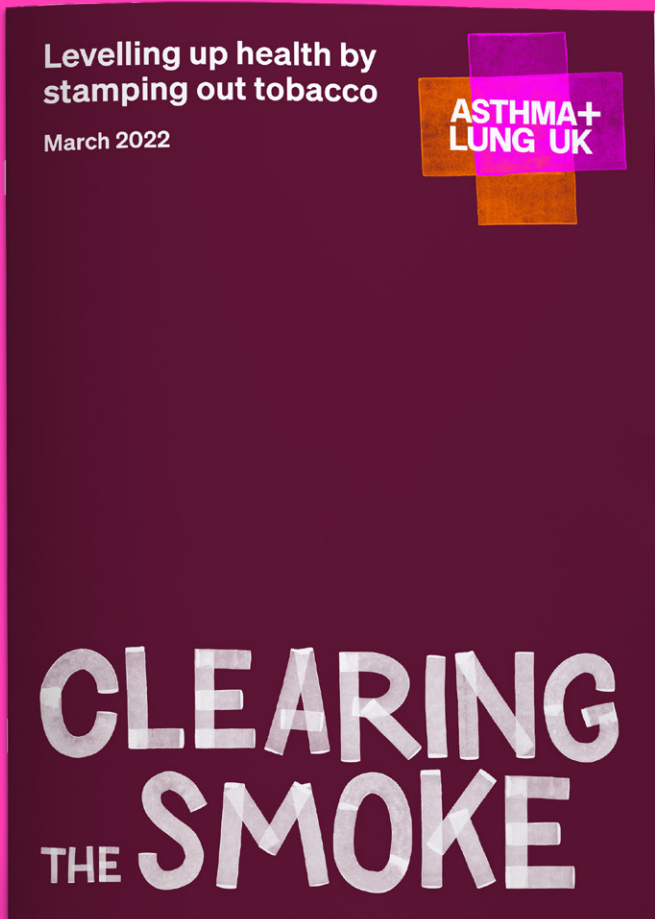
We've exposed the declining standards in lung care as a result of the pandemic this year, conducting our first ever survey of more than 8,000 people with Chronic Obstructive Pulmonary Disease and exposing long waits for diagnosis and failures in people accessing basic care. Our policy report, media story and public affairs outreach resulted in more than 50 pieces of coverage, social media support from politicians from all parties and led to a debate on the issues in parliament on World COPD Day as well as key meetings with policymakers.

“We also held meetings with more than 22 key policymakers at major climate change conference COP26, engaged with more than 800 members of the public and galvanised the support of more than 6,000 campaigners.”

We co-chair the NHS England National Respiratory Delivery Board and have worked alongside NHS England and partners to restore levels of respiratory care and drive improvements, including influencing a new strategy for pulmonary rehabilitation and improving health care professional training on inhalers and medicines reviews. We supported the roll out of a new pathway for severe asthma diagnosis through the Accelerated Access Collaborative. With the Taskforce for Lung Health, we worked with NHS England to develop a new breathlessness pathway for respiratory care.

Levelling up

We know that smoking is still the single biggest preventable cause of lung disease and that the poorest people are most likely to smoke and develop health problems as a result. We published *Clearing the smoke: Levelling up health by stamping out tobacco* and are using this to influence the Khan Independent Review of Tobacco Legislation, and sitting on an expert panel as part of this review.



**£14
BILLION**

**is the productivity
cost of smoking to
the UK economy
each year**

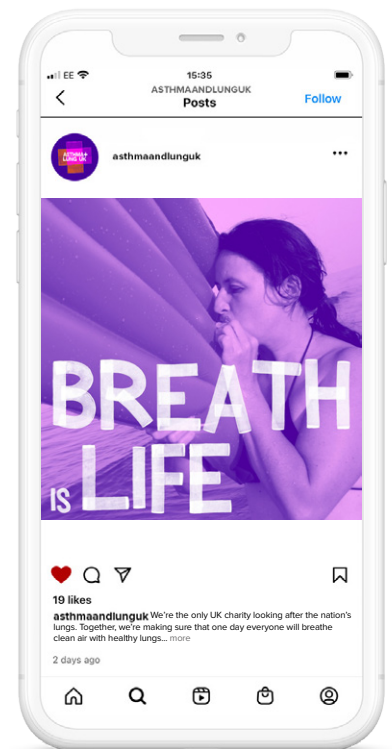
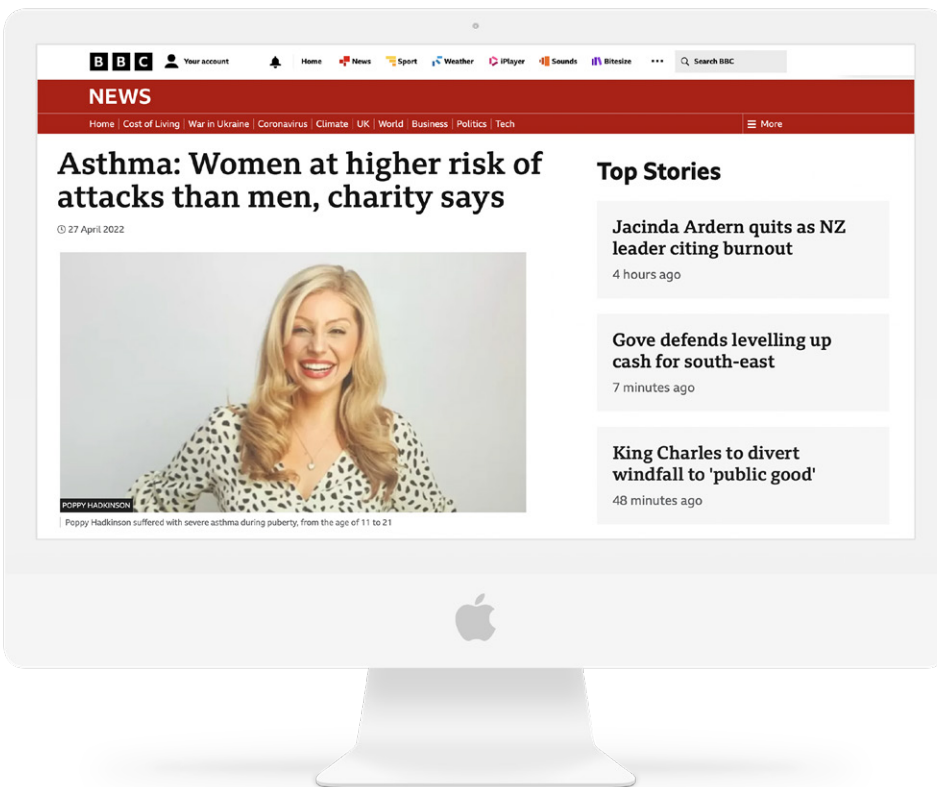
Rebranding lung health

To change the way people perceive lung health and make the case for a transformation in prevention, diagnosis, treatment and care, we have secured more than 11,000 pieces of media coverage in the last year. This has been across national, regional and trade media and includes print, online and broadcast activity, and we've reached more than 210,000 people with our social media content. With regular articles in The Times, Daily Mail, Mirror, Daily Telegraph, The Guardian, Metro, Evening Standard and in key nations outlets as well as appearances on ITV, BBC, Sky News, Channel 4, UTV, STV and many others, we've hit our target media for influencing policy change. On the Cision Charity Barometer, which shows volume of media coverage for charities, we have consistently outperformed expectations.

“We have secured more than 11,000 pieces of media coverage in the last year. This has been across national, regional and trade media and includes print, online and broadcast activity.”

Our media activity to promote the rise in cases of Respiratory Syncytial Virus (RSV) to support our health advice campaign resulted in more than 50 pieces of coverage and the topic trending on Google, resulting in an increase in traffic to our website and helpline. We also worked with TV soap Coronation Street in August 2021 on a plotline about air pollution affecting one of the characters' asthma.

To support our media work and amplify our new brand and strategy, we have this year focused on reaching out to existing and new celebrity supporters with considerable success. We've secured the support of Stephen Fry, fitness guru Rosemary Conley CBE, broadcaster Toby Anstis, comedian Helen Lederer, actor Adrian Lester and many others to share the stories of their lung conditions and explain why it's important to support us and to relay vital health advice in media outlets including the Evening Standard, Sky News, Daily Mail, Daily Express and Daily Mirror, and on Twitter.



The Taskforce for Lung Health

The Taskforce for Lung Health is a coalition of 44 members working together to improve the nation's lung health and the outcomes for patients with lung disease. It seeks to do this by influencing the government, NHS and other officials to implement the 43 policy recommendations in its five-year plan. The Taskforce has worked tirelessly this year to influence policy through its diagnosis, medicines optimisation and pulmonary rehabilitation working groups. The Taskforce also manages and produces the Lung Health Data Tracker, which brings together the available data on lung health as it relates to the Taskforce's five-year plan recommendations.

“The Taskforce for Lung Health is a coalition of 44 members working together to improve the nation's lung health and the outcomes of patients with lung disease.”

During the last year, the Taskforce for Lung Health has influenced the development of a new national patient pathway for breathlessness and a five year vision for pulmonary rehabilitation, which will help improve the diagnosis and treatment of people with lung disease. It also commissioned Imperial College London to undertake two pieces of research – one evaluating COPD prevalence and the other to identify time elapsed between points in the patient pathway for all major lung conditions so that we can understand delays and variation in time to diagnosis.



Fundraising

In a year that saw the UK move out of the COVID-19 pandemic to 'living with COVID' and into a cost-of-living crisis, once again we have been continually amazed and are thankful for the generosity shown by our supporters. With the restarting of in-person events, it was once again great to cheer on our runners on the streets of London, Newcastle, Brighton and around the UK. In total over 2,000 people participated in an event for the organisation in 2021–22, raising more than £1.4 million.

Of course, throughout the year we have also continued to rely on the generosity of our corporate, trust and foundation partners and major donors who have shown unwavering support for those affected by lung conditions. And at the heart of our fundraising efforts are individuals who, despite the tough economic conditions, have still dug deep to support the organisation time and again, not only with money but with energy, enthusiasm and thought. Without these supporters we would not be able to support those who need us most – so we thank you.

We strive to make the supporter experience the best it can possibly be. That is why we have continued to listen to feedback and engage in conversations with our supporters throughout 2021–22. We have continued to adapt and innovate our fundraising practices and approaches over the last year, responding to supporters needs and delivering appropriate asks of them.

In 2021–22 we developed a new and ambitious fundraising strategy to increase our income over the next five years to meet the growing needs of those affected by lung conditions. Year 1 of the strategy will begin in 2022–23 with performance being monitored through key indicators. Whilst the strategy looks to grow income, at its core is the focus on developing brilliant fundraising alongside our exceptional supporters to ensure we encourage, help and support those who raise money for us every step of the way.



Our aims for 2022-23

Campaigning

This year we will focus on diagnosis of lung conditions. We will commission and publish new research to identify areas of improvement, as well as continuing our work to influence diagnosis through NHS England. We will evaluate the success of initiatives like the breathlessness pathway and medicine reviews to ensure they are working for lung patients. We will fight for much-needed new drugs to be made available to treat severe asthma and IPF. We will continue to push for a lung health strategy for Northern Ireland, implement the Scottish Respiratory Care Action Plans, and shape the new Respiratory Quality Statement.

We will establish a new Healthcare Professionals Council to improve our policy development process by ensuring it is based on even more robust clinical expertise. We will hold a major reception in the UK parliament to raise our profile and celebrate our achievements since launching the new strategy and brand.

This year we'll be welcoming the secretariat for the Healthy Air Campaign to Asthma + Lung UK. Together we'll be fighting to clean up air across the nation, advocating to UK government and regional policymakers. As a coalition of over 20 health, environment and transport charities, we'll be working across the charity sector to raise awareness of toxic air through events, social media and partnership work.

We'll continue fighting for clean air across the UK, by ensuring that politicians are making ambitious choices to take the most polluting vehicles off our roads, working with campaigners to demand action. We'll be working with the UK government to set out how they can meet their new clean air target and campaign for new legislation in the devolved nations. We will improve air pollution alerts for people with lung conditions and support many more local areas to roll out ambitious clean air zones / low emission zones. As well as urging them to back a national scrappage scheme to make sure people with lung conditions can switch their polluting vehicles for a cleaner option, as quickly as possible.



Working with the NHS to engage with people at critical points

One of our ambitions is to ensure that people with lung conditions are supported from the point of diagnosis and beyond so we will be setting up a pilot scheme with the NHS to ensure that information about Asthma + Lung UK and the support we can provide is given to people when they are diagnosed and as they leave hospital. We hope that by providing details of our helpline support, our support groups, health advice and more, we can help people when they need us most, empower them to manage their lung condition and ultimately reduce someone's chance of being hospitalised.

“We will fight for much needed new drugs to be made available to treat severe asthma and IPF.”

Tailored exercise plans for people with lung conditions

There is a medically established link between staying active and staying healthy but many people living with lung conditions struggle to find exercise routines that suit them. We have received funding from Sport England to explore how we can develop an exercise programme specifically tailored to the needs of people with lung conditions, with plans to set up tailored online and face-to-face exercise classes.

Levelling up

We're determined to help everyone with a lung condition and have been working to ensure that we support all communities and have a diverse workforce. As such, we have reviewed our recruitment processes, particularly for the helpline, to increase the numbers of staff with more than one language. We will also recruit a role with a specific brief for visiting focal points in different communities to increase everyone's access to our services



Increasing R&I investment

As part of our five-year strategy, we're determined to ensure lung conditions are taken more seriously and this means influencing government and funders to dedicate more public funding to respiratory research. Respiratory disease is chronically underfunded, making up only 2% of total UK funding spent on medical research. We'll continue to influence key stakeholders, align government, academics, industry and people with lung diseases to take forward game-changing proposals to transform respiratory science for generations.

A key element of this will be re-establishing a UK-wide respiratory research and innovation influencing group to build the profile of lung research and drive action. This group will champion our vision to increase investment in prevention, diagnosis, treatment and self-management, forging a consensus between stakeholders to speak with one authoritative voice. We'll continue to fund the best research projects that can help develop the understanding, tools and techniques needed to get people the treatment and care they need with better accuracy and efficiency, and target external funders to invest too.

“Respiratory disease is chronically underfunded, making up only 2% of total UK funding spent on medical research”

We will continue to provide our Respiratory Insights service to academic researchers and innovators developing new technologies in the respiratory space and focus on building up a network of innovators that will raise our profile and facilitate collaboration and generate income. We're also planning a 'grand challenge' for funders, patients, tech experts and innovators to come up with an innovation that will support people with lung conditions.



Our fundraising plans

Face-to-face events are back in full swing now and we have our biggest ever event year planned, with two London Marathons (and more than 700 runners), the Great North Run, Brighton Marathon and more – which we hope will bring in up to £1.7m of income. Our virtual events continue to be an integral part of our sporting portfolio and we will look to improve these in the coming year.

One key priority in 2022–23 is to develop strategic private sector partnerships, that can attract new audiences to our charity. We're particularly focused on developing partnerships with sectors that can have the biggest impact on improving lung health such as the pharmaceutical sector, construction, retail, air quality and health-based organisations.

Local fundraising remains vitally important to us and we will focus on deepening our relationships with these key supporters, increasing our reach into diverse communities and embedding the new brand with local communities across the UK. We're planning new fundraising events for our audiences including one that will encourage primary school children to become youth champions and campaigners for our clean air work.

Those making personal gifts to the organisation through 2022–23 will continue to receive the best possible supporter care. We will continue to thank and welcome people to the organisation and ensure their donations are used wisely and appropriately.

We've reviewed and expanded our products in our online shop to offer a wider variety of exclusive products. From Christmas cards to clothing, every purchase made helps support our vital work in the fight for breath.

We are always so grateful to our wonderful supporters who choose to support us through leaving gifts in wills. Throughout 2022–23 we will continue to raise awareness of how impactful leaving a gift in your will can be.



Financial review

Financial review

The trustees present their report and audited financial statements for the year ended 30 June 2022. The financial statements on pages 60 to 83 are prepared in accordance with the Charities SORP and FRS102, and comply with the current statutory requirements.

Overview

2021–22 was an exciting year for the charity as we launched our ambitious new strategy, and relaunched under a new single name and brand: Asthma + Lung UK. Following our merger on 1 January 2020 and up until 28 February 2022, we maintained the two separate outward-facing charities of Asthma UK and the British Lung Foundation. Following a period of post-merger integration, we're now working as one charity externally too.

The rebrand did not have any significant impact on income levels during the year but does have implications for how we manage new donations. This is explained in the section on reserves on page 42. We continue to monitor the reception to our new name and brand to ensure that people can still find us when we need support, and to look for any signs that income is affected.

During the year to 30 June 2022 we raised £13.9m, down from £15.1m the previous year. Most of this reduction is the result of the end of a long-term restricted funding programme, which had funded research into mesothelioma. As such, the fall in income had little impact on our wider programme of work.

During the year we spent £16.8m, up from £15.4m the previous year. This increase in spending was largely driven by a planned spend-down of designated and excess free reserves, to bring us into line with our target level. This included significant investment in our research programme, with the launch of our first non-asthma research call funded from unrestricted funds for many years, and the use of reserves to continue our asthma research programme, which this year included a new focus on women and asthma.

Summary of our financial performance in the year to 30 June 2022.

	2021–22 £'000	2020–21 £'000
Total Income	13,939	15,105
Total Expenditure	16,777	15,399
Net spend before investment gains	(2,838)	(294)
Gain/(Loss) in value of investments	601	2,141
Net movement in funds	(2,237)	1,847

Gains on investments of £0.6m include a £0.8m gain on property following a re-classification of a former office as an investment property, which has been revalued to its current market value. This is offset by an overall loss of £0.2m in our investments, following a particularly difficult period for the financial markets between April and June 2022.

Overall, the net movement in funds was a reduction in total reserves of £2.2m, compared to an increase of £1.85m in 2021–22. This was made up of a reduction of £0.9m in core funds, of which £0.4m related to unrestricted funds, and a reduction in non-core funds of £1.3m, as shown in note 18 to the financial statements on page 76.

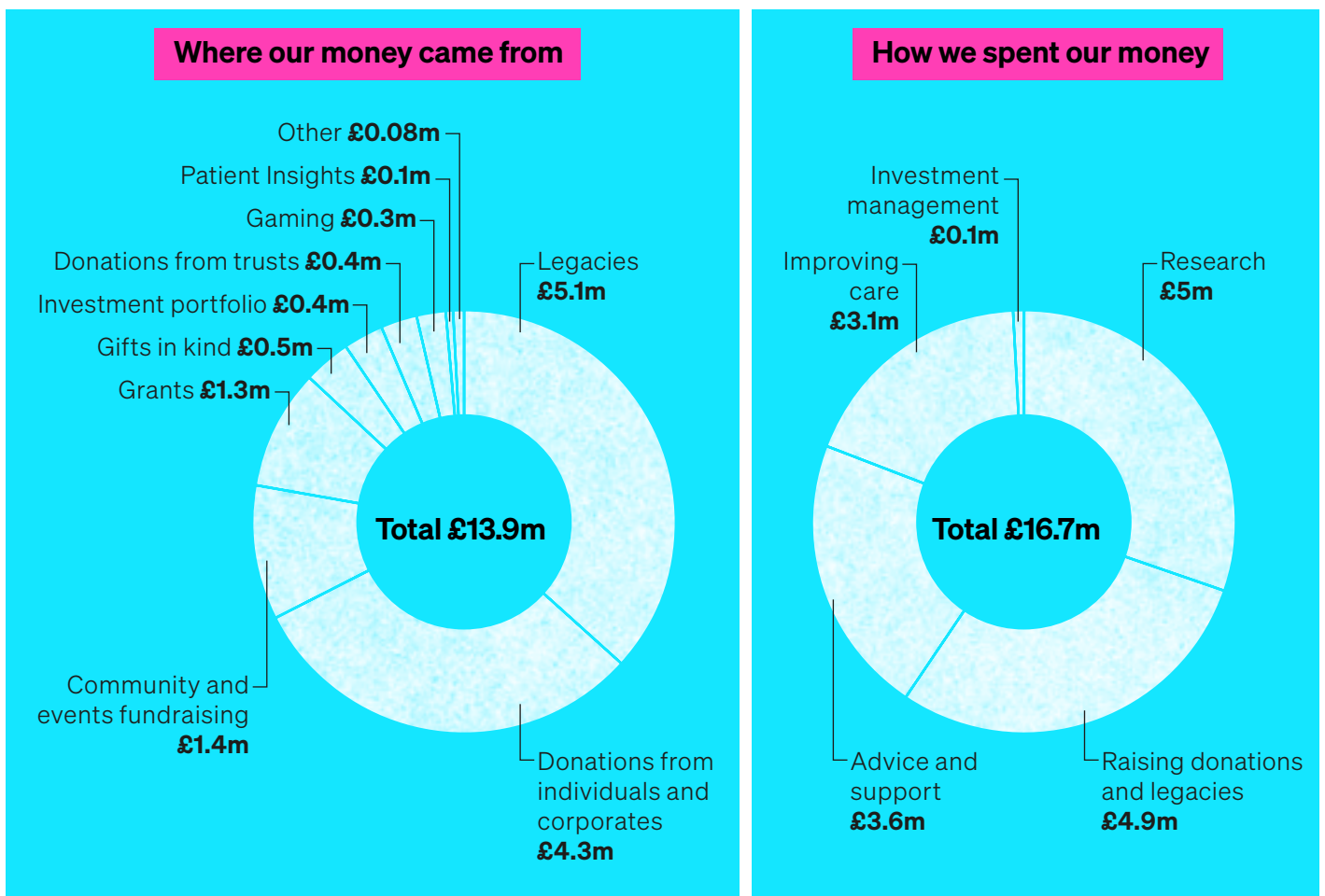
How we spent our money

Total resources expended were £16.8m, £1.4m more than the previous year. This increase is made up of an increase in charitable expenditure of £0.5m, and an increase in the costs of generating funds of £0.9m.

The last few years have been a difficult period for people living with asthma and lung diseases, we are proud to have been there for everyone with a lung condition and are pleased that we increased our charitable expenditure from £11.3m in the previous year to £11.8m. This increase of £0.5m was in-part funded by a planned deficit to spend down reserves which were above our target level.

Our charitable spend focussed on three broad programmes of charitable activity:

- Research: research grants and activity related to the administration of the grants, as well as influencing work to achieve our ambition to triple the amount spent on research into lung conditions in the UK.
- Improving care: our policy and campaigning work, which contributes to our goal of improving access to accurate diagnosis and treatment, reducing health inequalities, and supporting health care professionals. This spend also includes raising public awareness of lung conditions.
- Advice and support: our patient-facing services, such as our helpline, WhatsApp service, and online health advice. Through these services we aim to keep people well and out of hospital and improve self-management.



The largest single area of charitable spend remains our research programme. We spent £5m on research activity, no increase on the previous year. This included £3.8m of research grants, compared to £4.4m the previous year. Whilst the overall figure awarded has reduced, the prior-year figure includes a number of grants which were delayed from the 2019–20 year due to the initial impact of the pandemic, which delayed the process for awarding grants. We also saw a reduction in restricted-funded grants supporting research into mesothelioma, which was a result of a reduction in related income. However, we were particularly pleased to award our first non-asthma research call, funded from unrestricted funds, for many years.

Expenditure on improving prevention, diagnosis and care increased to £3.1m, an increase of £0.6m compared with the previous year. This increase reflects our success in raising significant sums for restricted projects, perhaps most notably to campaign on Clean Air and activity related to COP26. It also reflects some one-off investment to increase our ability to campaign and influence following the launch of our new strategy.

Meanwhile, expenditure on advice and support remained broadly in line with the previous year, at £3.6m in 2021–22 compared to £3.8m in the prior year. This was mainly due to a fall in restricted-funded projects.

How we raise our money

Asthma + Lung UK relies almost exclusively on voluntary donations and grants from individuals, trusts, corporates, and statutory bodies. The fundraising environment across all these sectors remains challenging. As the impact of Covid-19 on fundraising has eased and events return, we now face a cost-of-living crisis not seen in a generation and an energy crisis which affects households, business, charities and public sector bodies alike. We are ever more grateful for the generosity of our donors who continue to support our work despite these challenges. We strive to meet best practice standards in our fundraising activity as defined by regulators and want our supporters to know that we are fundraising responsibly.

Total incoming resources for the year were £13.9m, down from £15.1m the previous year. Most of this reduction is the result of the end of a long-term restricted funding programme, which had funded research into mesothelioma, and so despite the fall in income we have been able to continue our wider portfolio of work.

The cost of raising donations and legacies increased by £0.9m to £4.9m. This increase is in part due to one-off activity associated with the launch of our new strategy, name, and brand. We invested in our fundraising activities so we can grow our income in future years and ensure we can achieve our mission. Another reason for the increase in costs is the return of fundraising events which did not take place in the previous financial year. The breakdown of this income is shown in note 3 to the accounts on page 67. Unrestricted income grew to £5.8m from £5.1m, whilst restricted income fell to £8.1m from £10.0m in the previous year.

For the purposes of managing our funds, we group unrestricted funds and certain restricted funds together. These are funds where the restriction relates to a particular condition or broad geographic area but which are otherwise akin to general funds that support our core purpose. Core income was £10.9m, up from £10.0m in 2020–21. You can also find a detailed explanation of what we mean by core income in the section on reserves, and the figures are shown in more detail in note 18 on page 77. Other restricted income, relating to projects or specific programmes of work, was £3.1m, down from £4.8m the previous year.

Legacies generously left to the charity were £5.1m this year, unchanged from the previous year when it was also £5.1m. Legacies continue to be a crucial revenue stream and we are extremely grateful to those who leave bequests to the charity, enabling the organisation to achieve its goals. The timing of receipt of legacies has become increasingly difficult to predict over the last few years, mainly due to processing delays associated with the pandemic. The level of legacies notified to us but not certain at the end of June 2022 was approximately £4.1m, which we believe is a robust amount that gives reasonable assurance as to the continuation of this income stream in the coming year.

Donations from supporters through community activities and events, which include sporting challenges such as the London Marathon and the Great North Run, amounted to £1.4m, up from £1.2m. This increase owes much to the gradual return of events and community activities as pandemic-related restrictions eased, and we hope to see further growth next year as this trend continues. These contributions come from a huge variety of activities undertaken and supported by thousands of people throughout the year and represent a significant achievement by individuals on behalf of the charity, many of whom are living with a lung condition themselves. We are very grateful for their efforts.

Donations from individuals and corporates fell to £4.3m from £4.8m the previous year. £0.4m of this reduction is attributable to the end of a multi-year restricted funding commitment which supported a programme of research into mesothelioma. Included in this figure are the donations from individuals through regular giving, in-memoriam, and appeals which remained broadly in line with the previous financial year, making up £3.0m of the total.

Regular monthly giving remains important in enabling us to plan our work in the context of regular funding and we are grateful to the loyal supporters who give in this way. We are particularly grateful for gifts in memory of a loved one and hope those supporters found this to be a positive way of commemorating a life. We also ran a small number of fundraising appeals. In doing so, we are mindful of public concern as to the method and frequency that the public are asked to donate to charitable causes.

We secured donations from trusts of £0.4m in the year, £0.5m lower than the prior year. Trusts continue to support our range of activity including our research programme, provision of health advice through a variety of channels and our work in general to support people with lung conditions. They also support investments in our infrastructure.

Additionally, we have benefited from £0.5m of Gifts in Kind, principally relating to the Google Grant programme to support our online marketing.



£0.5M Gifts in kind

Efficient running of the organisation: support costs

One of the drivers behind the merging of Asthma UK and the British Lung Foundation was to reduce the proportion of our expenditure that goes on support costs. By coming together we are able to be more efficient by reducing our overhead costs and achieving better prices due to our new larger size, as well as by streamlining our processes and systems. We continue to scrutinise spend on support costs to ensure we are spending effectively and services are efficient.

Support costs include the Finance, People, and Technology support services, as well as governance and facilities costs. Total support costs for the year to 30 June 2022 were £4.0m, down from £4.3m the previous year. This figure included some one-off investments as we concluded our programme of post-merger integration.

During the year we launched the first phase of a new Customer Relationship Management (CRM) system, as part of a wider programme to move to a single, more modern and efficient system, from our two older systems inherited from our predecessor organisations. As at the balance sheet date, we are mid-way through the second phase and will launch the new system fully in the next financial year. This is expected to bring further efficiency, as we will only need to support one system, and improve productivity of our staff. We are grateful to the Fidelity Foundation who generously supported us to make this investment.

Regulatory and compliance requirements continue to increase, and recruitment in the specialisms we require is challenging, and has put upward pressure on budgets, both in terms of salary and recruitment costs. Turnover across all industries has been high following a period of very low turnover during the pandemic. These factors have put pressure on our ability to reduce costs further.

We allocate support costs across the charity's charitable and fundraising activities to reflect usage by activity on the basis of spend excluding research grant expenditure, as we believe this gives the fairest reflection of how resources have been utilised. Details are shown in note 7 to the financial statements.

Balance sheet

Total net assets at 30 June 2022 were £13.2m, a decrease of £2.2m on last year. A planned operating deficit across all fund types of £2.8m and an overall unrealised loss in investments of £0.2m were offset by an unrealised gain on property held for investment of £0.8m.

Restricted funds, including endowments, have decreased from £10.9m last year to £8.7m this year. This is in part due to unrealised investments losses, but also due to timing differences with large, restricted fund donations recognised towards the end of the previous financial year relating to projects taking place in 2021–22. Restricted funds also include a number of restricted funds which are akin to general funds in the sense that they fall under our general charitable purpose, but may be restricted to a particular condition, for example. The largest of these is the restricted fund for asthma.

For the purposes of managing our resources, Asthma + Lung UK groups these restricted funds through our reserves policy. This is set out in full detail in the section on reserves on page 42. Core funds decreased during the year from £7.3m to £6.3m, which was mostly due to a planned deficit to bring reserves into line with our target level.

Last year the trustees agreed to create a new designated fund to set money aside for the development of our new strategy and brand, and to ensure adequate investment in the organisation around the launch. During the year £0.7m was expended from this fund, and it is expected that the remaining balance will be spent in the year ahead.

Other designated funds relate to property. During the year the trustees agreed in principle to dispose of a property that the charity holds on a near-freehold basis. As such, the asset was reclassified as an investment property and was revalued to market value based on its current state of repair. A new designated fund was created, with a transfer in from the operational fixed asset fund of £0.8m, and a gain on revaluation of £0.8m, to leave a balance of £1.6m.

Subsidiaries performance

Asthma + Lung UK has four wholly owned subsidiaries: BLF Services Limited, Asthma Enterprises, Asthma UK and BLF Limited, the latter being dormant. Asthma UK and Asthma Enterprises are no longer trading, and we expect to make them dormant in the coming year. They are a legacy from our merger and will be closed to reduce administration costs.

BLF Services Limited is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity. All profits are transferred to the parent charity under the company gift aid scheme.

Asthma Enterprises Limited is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Up until 31 December 2019 Asthma Enterprises Limited was a 100% owned subsidiary of Asthma UK. On this date Asthma UK merged with the British Lung Foundation, forming Asthma UK and British Lung Foundation Partnership and Asthma Enterprises became a 100% owned subsidiary of the merged entity.

Upon the merger of the two charities, the newly merged charity adopted the company and charity registrations of the former British Lung Foundation. To ensure continuity following the merger, the company and charity registrations of Asthma UK were retained as a wholly owned subsidiary. Asthma UK is registered in England and Wales (company number 02422401) and registered with the Charity Commission in England and Wales (registration number 802364).

The results and the year-end financial position of the two active subsidiaries are shown in note 4.

Financial position at the end of the year and outlook

The last few years have been particularly volatile and uncertain for charities and Asthma + Lung UK is no exception. Rising inflation, upward pressure on salaries, and market volatility in relation to the Ukraine war all began to impact the charity towards the end of the 2021–22 year and continue to do so into 2022–23.

However, the charity remains in a healthy position with a cost-base that is sustainable, and with reserves to help it survive any significant financial shocks. Trustees set a budget for 2021–22 that planned for a structural break-even position on core funds. These are our free unrestricted funds and selected restricted funds which are akin to general funds, which work.

Additionally, trustees agreed to set aside total funds of £1.3m to increase our research output and ensure we had sufficient funds to launch our new strategy and brand. This would bring us closer to our target level of reserves. Excluding unrealised gains and losses, the net movement on core funds achieved was a deficit of £0.8m. After adjusting for unrealised losses on investments, the net movement in core funds achieved was a deficit of £0.9m. This brings us broadly into line with our upper target level of core reserves.

The timing of receipt and deployment of restricted funds relating to projects and specific programmes of work varies considerably from year to year, and as funds are only spent once received, trustees set a budget based on expected income and expenditure rather than a target net movement in funds.

As we look to 2022–23 the trustees have set a budget with a plan to spend down a further £0.5m of core reserves. This is in line with our financial plan, developed as part of our new strategy, and ensures we can sufficiently invest in delivering for people living with a lung condition who need us more than ever. If achieved, this is expected to bring us within the lower and upper target level of reserves. We review the target levels on an annual basis.

Prudent assumptions have been made in setting the budget, reflecting challenges in fundraising and dependence on voluntary donations, as well as upward pressure on costs. The 2022–23 year assumes continued strong performance in legacy income, as well as two London Marathons which are expected to contribute to a strong year for income from events, albeit not twice the typical annual income. The trustees recognise the risks inherent in the financial plans but are confident there are sufficient mitigations for the budget to be achievable.

As we move into year one of our new strategy, we plan to explore new approaches to fundraising and in particular hope to build on our strong performance in generating income from corporates, and from trusts and foundations. With a bold new ambition, our case for support is now clearer than ever, and we hope to grow our partnerships with existing supporters as well as attracting new ones.

Our charitable spend is expected to increase again in 2022–23, most notably in core-funded research, with an increased budget of £2.0m planned. We are planning a number of key strategic new charitable projects, supported either in-part or wholly by restricted funds. For example, we anticipate a significant increase in spend on clean air, linked to our strategic priorities and generously supported by organisations such as the Clean Air Fund and Impact on Urban Health.

Reserves

How we manage our reserves

Asthma + Lung UK holds money in reserves to ensure it can continue to be there for everyone with a lung condition. It also holds reserves required to meet its commitments and obligations. The charities SORP sets out four broad categories of reserves:

- Unrestricted: funds which we can use to fulfil any part of our charitable mission.
- Restricted: funds which have some form of condition attached specifying how they can be spent. For example, this may be a restriction relating to a particular lung condition, or it may relate to a specific project that a donor has generously agreed to fund.
- Endowment: restricted funds which are held for a long-term benefit, from which income can be generated and spent.

- Designated: funds which the trustees have set aside for some specific purpose which are not included in our assessment of free reserves. This includes our fixed asset reserve, which reflects the value of the charity's fixed assets.

Our reserves picture is a little more complicated than for some charities. As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. This is particularly the case for asthma, and that's partly because of our history as two separate charities that came together to form Asthma + Lung UK. We also receive funds for other conditions like COPD.

These donations fulfil our core charitable purpose and are akin to unrestricted reserves in that sense, so we group them together with unrestricted free reserves as core reserves. This simplifies our management of reserves, whilst ensuring we comply with our donors' wishes. This excludes project-specific restrictions which have their own spending criteria.

In June 2022, to recognise our move to a single name and brand, the trustees considered our approach to managing our reserves and agreed an updated reserves policy. As this financial year is a transition year, the new policy will apply in full from 1 July 2022; however we've used our latest policy to set out our current reserves position and our assessment of the reserves we need to hold.

In note 18 to the accounts on page 77, we've set out the full picture of our reserves, and we've also added a table showing which reserves are included in our calculation of core reserves.

In order to keep our management of reserves as simple as possible and to avoid unnecessary administration costs, we account for all general expenditure as unrestricted expenditure. We then apportion a reasonable share of these costs to the various restricted core funds, and make transfers between the funds to reflect this.

Until 30 June 2022, this policy only applied to our asthma restricted fund, following an approach that was agreed when Asthma UK and the British Lung Foundation merged. Under this approach, 45% of general expenditure, excluding anything spent purely on a lung condition other than asthma, was deemed to be chargeable to the asthma restricted fund. A transfer was made on a periodic basis, with a final adjustment at the year end. This is reflected in the 2021–22 financial statements and can be seen in note 18.

From 1 July 2022 we will apportion general expenditure to the most common lung conditions we support, and not just asthma. To do this, we have used a combination of the prevalence of each condition and demand for our charitable services, and we will apportion costs as follows:

Proportionate share of common costs

Condition	Percentage share (nearest 5%)
Asthma	55%
Bronchiectasis	5%
Childhood wheeze	10%
COPD	10%
Covid-19 and Long Covid	10%
Infectious diseases (including Covid)	5%
Interstitial Lung Diseases (e.g. IPF)	5%

The apportionment of costs will continue to appear as fund transfers and will be visible in our accounts from 2022–23 onwards. Where there are insufficient funds to cover the share of costs, we'll reduce any available balance to zero and won't seek to redistribute any shortfall.

Our reserves policy

Our reserves policy and calculation methodology is based on Charity Commission best practice as set out in CC19 and is designed to ensure the charity can continue its charitable work despite fluctuations in income and investment performance. This has become particularly relevant given the impact of coronavirus, the rising cost of living, and the war in Ukraine on both our ability to fundraise and the value of our investments.

Our policy is also designed to ensure we can meet our commitments in relation to research grant funding and reduce the impact in the unlikely event that the charity had to close.

We set a minimum level of reserves, and also an upper target, and our aim is that the total of all core reserves falls within this range. Core reserves are defined above. Last year, we had separate targets for unrestricted and asthma restricted funds, but now we have one target covering all core funds.

The required level of free core reserves is calculated using the following steps:

- A requirement to hold reserves to mitigate income risk.
- A requirement to hold reserves to partially mitigate investment volatility, based on historic movements over three years (based on the performance benchmark data for the funds), adjusted for the proportion of total reserves held in investments at the last balance sheet date.
- A discount to the unrestricted target to reflect the property held by the organisation on a near-freehold basis, based on an estimate of a portion of the asset that could easily be made liquid in an emergency.
- Adjustments to reflect the proportion of shared costs, for example running costs or activity that benefits all lung conditions, which can be taken from the asthma restricted fund.
- A small working capital requirement of one month of expenditure, adjusted as with step four, added to provide an upper limit to the target.

Trustees agreed this updated reserves policy in June 2022 and the calculation of the minimum and upper targets is reviewed annually and based on the budget for the coming year.

Based on our 2022–23 budget, our trustees recommend a range of between £5.3m and £6.3m in free core reserves.

Our reserves at the end of the financial year

At the end of the year, the charity held total funds of £13.2m (2021: £15.4m), of which:

1. £6.3m (2021: £7.3m) are considered core funds, consisting of:
 - a. £2.2m of unrestricted funds (2021: £2.6m).
 - b. £4.2m of general restricted funds which are akin to unrestricted funds, the largest of which is the asthma general restricted fund of £4.1m (2021: £4.7m, of which £4.1m was restricted to asthma).
2. £2.3m are held in designated funds (2021: £1.9m), of which £2.0m relates to the fixed asset reserve and the investment property reserve (2021: £0.9m).
3. £1.0m relate to other restrictions, such as projects (2021: £3.2m).
4. £3.6m are held in restricted endowment funds (2021: £3.6m).

Note 18 to the financial statements sets out the breakdown of our various funds. The stated figure for total non-asthma restrictions of £1.0m is net of a deficit balance on one restricted fund. Excluding this fund, the total is £1.7m. The deficit balance of £0.7m relates to the GSK Chair Fund, which has an associated endowment fund; a note explaining the deficit position and the plan to address it can be found in the section on endowment funds, on page 44.

Our current level of core reserves matches our upper target level. As such, the trustees have planned to spend more from core funds in 2022–23 than we expect to raise in income, planning a deficit of £0.5m. This will bring core reserves within our target range.

Restricted reserves

The organisation holds a number of restricted and endowment funds which are held in accordance with the donors' wishes. Some of these are general restrictions akin to unrestricted funds, in that we can use them to achieve our charitable purpose. Others are held in relation to more specific restrictions, such as funded projects, and are the result of timing differences between when the income is recognised and the charitable activity is delivered.

Sometimes, when we receive restricted funding for a project, the funder generously allows us to recover some

of our core costs, for example in relation to management of the project. Where this happens, we typically make this recovery through a transfer of funds into unrestricted funds, and these transfers can be seen in note 18 to the accounts as well as on the face of the SoFA.

We also sometimes receive donations which are restricted to a particular activity, such as research, or a geographical area, such as Scotland. We seek to match our existing activity and spend to this income, as well as a reasonable charge for the cost of raising and administering the funds. Occasionally there is a timing difference between receipt of the income and our ability to match related expenditure, so we hold these funds in reserve until they can be spent.

Endowment funds

The charity holds four endowment funds, restricted funds held for the long-term benefit of people with lung conditions.

The largest endowment fund held is the Glaxo Chair Fund. Set up in the early 1990s at the British Lung Foundation, the fund aims to generate income which is used to fund a chair of research post. The restricted element of this fund is currently in deficit due to an historic accounting error which was corrected during 2020–21, and the trustees plan to replenish the fund with income received from the investment fund in which the endowment is held. The extent of this deficit increased during the year due to the fact the organisation had made public commitments to fund a further round of research chair activity before the accounting error was identified. The trustees plan to review their approach to investments during 2022–23 and will set a plan for recovering the deficit on this fund.

Designated funds

At the end of the financial year, designated funds stood at £2.3m (2021: £1.9m), an increase of £0.4m.

At the end of 2020–21, the trustees resolved to create a new designated fund of £1.0m, taken equally from unrestricted and asthma restricted funds, set aside to support the development and implementation of our new strategy. During the year, £0.7m was spent from this fund, leaving a balance at the end of the year of £0.3m. The remainder of the fund is expected to be spent in 2022–23.

The charity holds a designated fixed asset reserve of £0.4m (2021: £0.9m) representing equipment, fixtures and fittings, and work-in-progress capitalised software. It also holds an investment property reserve of £1.6m (2021: £nil) reflecting the fair value of an office the charity owns on a near-freehold basis, located on Goswell Road in London. Combined, these funds add up to £2.0m (2021: £0.9m). The combined increase in these funds of £1.1m reflects a change in accounting treatment to recognise the office as an investment property, and the consequent revaluation to market value (£0.8m), as well as capital additions during the year (£0.4m). The change in accounting treatment reflects the fact that trustees have decided in principle to dispose of the office when market conditions stabilise, having determined that the site is insufficient for the needs of the larger merged charity. The office was formerly used as the main office of the British Lung Foundation.

Research grant commitments

Asthma + Lung UK has agreements to fund research projects, senior research fellowships and research centres for periods of up to five years. Given the constructive obligation created on awarding these grants a provision is made in the accounts at that point for forward commitments (i.e. these are recognised as liabilities). The funds therefore accounted for as spent, and the organisation invests surplus cash until it is required.

Our investment in research is governed by our Research Governance policy and this is reviewed by the trustees annually. Each year there is a rigorous technical review process to ensure research undertaken on behalf of Asthma + Lung UK meets the conditions under which it was granted, our code of ethics and other standards.

It is the charity's intention to meet the grants obligations unless there is an exceptional reason not to. The selection of research projects for funding is through an established peer-review system which includes lay reviewers, in accordance with the guidelines of the Association of Medical Research Charities. Experts in relevant fields of research are asked to give a commentary and score the grant applications according to their relevance to lung conditions, our research aims, the quality of the proposed methodology and its value for money.

Investments

Why we hold investments

The Finance and Audit Committee, which reports to the Board of Trustees, monitors the activities and performance of the investment managers on a regular basis.

The charity's aim in investing its funds continue to be to:

- Produce the best financial return within an acceptable level of risk.
- Maintain the capital value of our investments in real times over a 3–5-year cycle.
- Hold sufficient liquid funds to meet short-term funding requirements.

Investments are invested in a number of pooled funds and the Finance and Audit Committee monitors each fund's performance annually and compares with industry benchmarks to ensure the funds remain appropriate for the charity's investments. Our investments are currently held by two fund managers who manage the funds on our behalf.

The Committee reviews the charity's investment policy annually and is committed to socially responsible investing. As part of our strategic review, we have considered whether our current investments align with our strategic aims and will be undertaking a process to review our current holdings during 2022–23.

Investment performance

The movement on investments is shown in note 12. Total unrealised losses in investments for the year were £0.2m (2021: unrealised gain of £2.1m). There were no realised gains. During the 2021–22 investment performance largely followed the same growth trajectory as the previous year until the final quarter, when a number of global factors, chief among them the Ukraine war, impacted investment values globally. Consequently, many of the gains achieved up to that point were lost, leaving the small overall loss recorded. The trustees consider this to be a short-term impact which does not impact our longer-term investment aims.

Going concern

The financial statements are prepared on a going concern basis, and trustees consider that the charity will remain a going concern for at least the next 12 months.

The merger between Asthma UK and the British Lung Foundation has strengthened our ability to withstand shocks of this nature, principally because of the cost savings already achieved through the merger. We have been able to gradually spend down excess reserves during 2021–22 and our current levels are at the upper end of our target range.

Our plans for 2022–23 include a planned deficit of £0.5m on core funds, which will still leave us within our target range, which is assessed on an annual basis with reference to the following year's plan and budget.

Most expenditure is predictable in timing and amount, and there are sufficient reserves to meet our immediate obligations. Additionally, the charity holds a property at Goswell Road on a long-term (973 years unexpired) lease, which could be sold if required in an emergency situation. The charity intends to dispose of the property but is under no financial pressure to do so, and intends to get best value for its asset.

Whilst we do predict that income will grow in 2022–23, with budgeted total income of £16.2m, of which £14.3m is expected to be core income, it is increasingly difficult to accurately predict many forms of income. As a result, our reserves policy includes holding a portion of reserves to allow for shortfalls in income. The charity's fundraising income remained broadly stable between 2020–21 and 2021–22 after excluding two significant reductions in restricted income relating to mesothelioma research, and at the point of signing these accounts, indications show that our financial performance in 2022–23 is stable. Additionally, our combined size since merging improves our resilience and ability to withstand short-term volatility.

These factors taken together, lead the Board of Trustees to conclude that the charity is a going concern and will remain a going concern for at least the next 12 months.

Fundraising governance and regulations

Participation in fundraising regulation and our compliance with the code

We value the support of every one of our donors; and work hard to ensure that our fundraising activity is open, legal and fair. We work with the Fundraising Regulator and the Chartered Institute of Fundraising to make sure our fundraising activities operate to the highest standards. We proudly adhere to the Code of Fundraising Practice and our Fundraising Promise is posted on our website. We never sell contact data and our supporters can change their communication preferences at any time.

How we protect vulnerable people

Every donor is an individual with a unique background, experiences and circumstances and every interaction between a fundraiser and donor is different. We require all staff to follow best-practice guidelines for dealing with vulnerable people and our Policy for Fundraising with Vulnerable Supporters is available on our website. We constantly review best practice guidance on protecting individuals at risk and have updated our self-exclusion from gambling process to safeguard the wellbeing of individuals. We continuously look to ensure we appropriately act to protect potentially vulnerable people whilst also protecting the reputation of the organisation and its employees.

We comply with the Chartered Institute of Fundraising guidance, set out in Treating Donors Fairly. We also require our staff, and any agencies contacting members of the public on our behalf, to comply with guidelines provided by the Data and Marketing Association and the Public Fundraising Regulatory Association. These guidelines do not cover children and young people under the age of 18, and we do not actively seek donations from them.

How we monitor fundraising activities by third parties

We work with a variety of third parties to raise money, including commercial participators and professional fundraisers. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. This year we continued to employ a telephone agency to call people on our behalf. We provided guidance to their staff and monitored calls regularly to ensure they represented the organisation appropriately.

Complaints

Asthma + Lung UK received 39 direct fundraising complaints this year. We have not received any complaints through the Fundraising Regulator. We take all complaints seriously and the Supporter Care Team have responsibility for ensuring that complaints about the organisation are recorded and handled appropriately. In all cases we aim to resolve or acknowledge receipt within five working days and our Fundraising Complaints Procedure is easily found on our website.

FPS requests

The Fundraising Preference Service (FPS), run by the Fundraising Regulator, is aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. Asthma + Lung UK has received 13 of these requests in the period from 1 July 2021 to 30 June 2022.

Risk and uncertainties

The Board has ultimate responsibility for the management of risk and they have delegated the responsibility to the management strategy and process. The risk register is reviewed regularly by the Committee and key risks are highlighted on a risk heat map. Risks are then discussed at every Board meeting.

A formal risk management policy and framework has been adopted to ensure there is a shared understanding of risks and how they can be managed. The risk register is used to ensure identified risks have suitable mitigations in place, the risk appetite is understood and to highlight any additional controls to reduce the risk further. It is reviewed by the Executive Team who discuss changes to the risk register at a quarterly meeting. Project risks are managed within the Project Management toolkit and escalated to the Executive Team of Finance and Audit Committee as appropriate.

Our response to the current economic uncertainties

We are concerned that the pressures of the increased costs of living will have a detrimental impact on the health of people with lung conditions. The costs, for example, of running 24-hour oxygen pumps, which may be critical for people living with COPD and other chronic lung diseases, is expected to double and may increase further. We are listening to and working with the community of people living with lung conditions, through our services teams, surveys and social media channels to understand how people are being affected and using the health advice pages

of our website, support groups, helpline and communications to offer advice in prioritising their health needs as they manage their personal finances as well as lobbying government to provide as much financial support to vulnerable groups as possible.

As an organisation we revised our budgets for the opening financial year, reducing income expectations and prioritising our strategic aims. We benchmarked staff benefits to charity standards across the board for 2022–23 and have frozen all unfunded employee growth. We are in the process of reviewing our investment management to ensure we can respond quickly to changes in the economic environment. Throughout the forthcoming year we will monitor income and expenditure closely so we can react well in advance to further unexpected changes in our financial position.

The key risks and uncertainty are set out in the table along with mitigation and future actions.

Risk	Mitigation	Future actions
<p>Being unable to respond to our beneficiaries needs Failure to fully understand the needs of needs of our beneficiaries, could lead to an inadequate response to increased or changing demands and consequent reduction in levels of engagement with people living with lung conditions</p>	<ul style="list-style-type: none"> • New five-year strategy places the needs of people with lung health issues at the heart of our activities • Information acquired through helpline and support group sessions • Engagement with the Respiratory Voices network 	<ul style="list-style-type: none"> • Monitoring results from cost-of-living surveys, reaching more than 3,500 beneficiaries, to assess needs arising from economic uncertainty • Development of new programmes to increase our contact with the newly diagnosed and people leaving hospital • Development, with support from Sport England, of a tailored exercise plan for beneficiaries
<p>Unable to deliver consistent programmes Failure to deliver consistent programmes, that are compliant with best clinical governance, and evidence the impact of our activities could lead to the loss of funding opportunities</p>	<ul style="list-style-type: none"> • Compliance with AMRC best-practice guidelines for giving research funding • Employment of professionally qualified nurses for our helpline • Recording and review of helpline calls supporting continual professional development • Evaluation procedures built into programme work 	<ul style="list-style-type: none"> • Review of internal quality standards for assessing our programme delivery • Recruitment of an EDI lead to increase our reach to minoritised groups • Review of processes for checking qualifications and competencies of staff and volunteers
<p>Unable to attract and retain talented staff Failure to recruit and retain a strong and robust workforce, including employees and volunteers, could impact our ability to deliver our ambitions for our beneficiaries. This may include a failure to embed an inclusive workplace culture</p>	<ul style="list-style-type: none"> • Nominations and Remuneration Committee • Values built into performance management process • Staff forum • Whistleblowing policies and procedures • People policies and procedures 	<ul style="list-style-type: none"> • Benchmarking of benefits packages • Review of training for staff and volunteers • Review of office requirements and development of accommodation plan

Risk	Mitigation	Future actions
<p>Failure to manage our resources to maximise their value Failure to manage the impact of inflation on operating costs, and potential loss of income from supporters also affected by inflationary pressures causing unbudgeted losses. Failure to respond to loss in values of investment assets leading to a reduction in our reserves</p>	<ul style="list-style-type: none"> • Finance and Audit Committee review performance against budget and forecast • Reserves Policy • Budget aligned to annual business plan and strategy • Regular robust reforecasting • Project Management Office that aligns resources to business plan 	<ul style="list-style-type: none"> • Monitor delivery of new five-year funding strategy • Review of procurement and contracting procedures for areas of major spend • Development of new database for managing relationships with key stakeholders • Review of cash flow modelling
<p>Lack of research funding affects delivery of our research work Less investment and reduced capacity in the research and innovation could reduce the volume of research, weaken academic workforce/institutions/ collaborations and delay discovery and clinical trials stalling new knowledge and innovation that could benefit people with lung disease</p>	<ul style="list-style-type: none"> • Work with AMRC and other medical charities to amplify the message and raise awareness of lack of investment • Invest in proven research and innovation funding influencing models • Review funder strategies for co-funding opportunities 	<ul style="list-style-type: none"> • Increase our own research funding over the coming years • Influence others through research calls to action, to leverage our own funds so that even greater sums are spent overall
<p>Influencing and communications Failure to effect change on behalf of beneficiaries in a complex external environment or failure to deliver against our policy priorities could lead to poorer delivery of care, lack of progress on public health including clean air and worsening health outcomes for people with lung disease</p>	<ul style="list-style-type: none"> • Launch of striking new brand to support the strategy • Founder member of the Healthy Air Coalition working with other charities to support clean air campaigning • Professional communications team ensure consistency and accuracy of messages • Dedicated public affairs team working with Westminster politicians and devolved governments to raise awareness of lung conditions and their impact 	<ul style="list-style-type: none"> • Develop new website to improve access to the information we publish and to publicise our work and impact • Working, through the Healthy Air Coalition, to reach grassroots organisations and extend work in schools • Continuing to run the secretariat for the Taskforce for Lung Health to bring together key partner organisations to speak with one voice on lung health
<p>Ethics and integrity Failure to act in the best interests of our beneficiaries, or failure to comply with all applicable legal and regulatory requirements could lead to decreased engagement with people with lung disease, loss of funding opportunities and regulatory censure</p>	<ul style="list-style-type: none"> • Compulsory e-learning for new starters including UK GDPR, Cyber-security Safeguarding, EDI and Health and Safety. • Internal information governance group to approve changes to data and cyber processes • Ethical fundraising and investment policies, aligned to Fundraising • Fundraising Regulator standards 	<ul style="list-style-type: none"> • Appointment of a single investment advisor aligned to our ESG values • Accreditation of computer security to the Cyber Essentials Plus standard • Review of procedures for engaging with potential high-value donors

Trustees' report

Structure, governance and management structure

Structure

Asthma + Lung UK (the Charity) is a company limited by guarantee (registered company number 01863614 in the United Kingdom and 005851F in the Isle of Man) and is a charity registered and regulated by the Charity Commission in England and Wales (Charity number: 326730), the Office of the Scottish Charity Regulator in Scotland (Charity number: SC038415) and the Attorney General of the Isle of Man (Charity number: 1177).

The Charity's constitutional document is its Articles of Association which sets out the charitable objectives; these are:

- the relief of persons suffering from diseases of the chest and lungs, to include, on a continuing basis, asthma, and the prevention of those diseases;
- the promotion of medical research into the prevention, treatment, alleviation and cure of those diseases and the dissemination of the useful results of such research for the benefit of the public and the promotion of post-graduate training and the creation of fellowships, hospitals, medical centres and research institutes; and
- the provision of care, support, services and information for persons suffering from those diseases.

The Charity is governed by a Board of Trustees chaired under powers defined in the Memorandum and Articles of Association which was last updated in March 2022. The Board of Trustees consisted of twelve trustees throughout 2021–22, with no changes to membership.

During the year to 30 June 2022 the Board was chaired by Baroness Tessa Blackstone. In October 2022 Baroness Blackstone stepped down after serving five years and leading the charity through both the merger and Covid lock-down periods. Her successor as chair, Tamara Ingram OBE, joined the board in November 2022.

The Board is supported by two sub-committees: the Finance and Audit Committee and the Nominations and Remuneration Committee.

The day-to-day running of the Charity is the responsibility of the Executive Team, led by the Chief Executive, Sarah Woolnough.

Asthma + Lung UK has two active subsidiary companies:

- Asthma Enterprises Limited (registered company number 02355314), and
- BLF Services Limited (registered company number 02341027).

Each subsidiary is a wholly owned independent company with a board of directors; the companies are used for trading activities and gift their profits, with Gift Aid, to the parent charity. More details on the subsidiary companies are available in Note 4 to the Financial Statements on page 68-69 of this report.

Asthma + Lung UK cooperates closely with other charities with aligned objectives providing the secretarial support to the Taskforce for Lung Health, see page 29.

Under these arrangements each charity operates independently to achieve our common goals.

Governance

The Board

The Board of Trustees may have a minimum of five and up to 15 trustees. Trustees may serve for up to two terms of four years. Retiring trustees may be re-elected but no trustee can serve more than two consecutive terms unless the trustees decide there are exceptional circumstances.

Two honorary roles exist, vice-chair and treasurer, that the trustees may appoint from their number for a term of office as they see fit.

Trustees receive no remuneration other than for expenses incurred as trustees. Trustee indemnity insurance is in place for the protection of the trustees.

Committees

The Board is supported by two committees to which it delegates certain authorities. The committees work to their terms of reference, which are approved by the Board and reviewed periodically.

Finance and Audit Committee

The Finance and Audit Committee meets at least four times a year. It reviews and makes recommendations to the Board on:

- Finance, including budgets and management accounts
- Risk management
- Audit and statutory reporting
- Investments
- Capital projects
- Customer complaints and feedback

Nominations and Remuneration Committee

The Nominations and Remuneration Committee meets at least twice a year. It reviews and makes recommendations to the Board on:

- Trustee nomination and recruitment
- Benefits for employees
- Health & safety
- Safeguarding
- Employee and volunteer related complaints and feedback

Research Review Panel

Members of the panel are invited independent experts who meet to review grant applications and make recommendations to trustees and inform and review progress against the research strategy. A full list of members who attended panels in 2021–22 is provided on page 56 of this report.

Trustee appointment and induction

The Board completes a self-assessment regularly against the Charity Commission Governance Code, last completed in October 2021. This information is used to inform the brief for the appointment of new trustees.

To ensure that roles are advertised as broadly as possible the early stages of recruitment up to the short-listing of candidates are managed by an external recruiter. New trustees are proposed by the Nomination and Remuneration Committee and formally appointed by the Board.

New trustees are given an induction tailored to their role, including meeting with relevant staff and senior management team members, historical information including Board and Committee minutes, and strategic plans. Each trustee is given information on their legal duties and invited to attend external trustee training events funded by the Charity. On appointment, each trustee completes a register of interests, which is reviewed annually and agrees to abide by the Charity Commission's governance Code and the Charity's own Code of Conduct.

This Report includes a short biography for every trustee that served in 2021–22 on pages 54–55.

Pay and benefits for key staff

Remuneration for the chief executive and Executive Team is set, maintained and reviewed by the Nominations and Remuneration Committee. Senior staff salaries are benchmarked to the mid-point of two publicly available Charity Remuneration surveys.

Trustees are unpaid but are reimbursed reasonable expenses incurred in their duties.

Public benefit

The trustees confirm that they have referred to the information in the Charity Commission's guidance on public benefit when reviewing Asthma + Lung UK's aims and objectives, in planning activities, and setting policies and priorities for the year ahead.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with FRS102 and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the Group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group 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.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Asthma + Lung UK will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

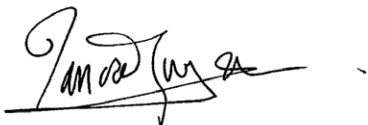
The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Crowe LLP have been appointed as the charitable company's auditors during the year. The trustees' annual report has been approved by the trustees on 15 December 2022.

Signed on behalf of the Board of Trustees of Asthma + Lung UK

Chair of Trustees



Tamara Ingram, OBE

Board of Trustees

Baroness Tessa Blackstone – Chair, resigned October 2022

Baroness Blackstone is a Labour peer and has chaired the board of a wide range of organisations. She studied at the London School of Economics (LSE) where she went on to take her doctorate. Her academic career began as a lecturer in social administration at LSE. She was master of Birkbeck College and later, vice chancellor of the University of Greenwich. She was Minister of State in the Department for Education and Employment and then in the Department of Culture, Media and Sport. Tessa has published widely in academic journals, and written a number of books mainly on social and educational policy.

Professor Ian Hall – Vice Chair

Ian joined as a trustee in July 2017. He is currently Director of the NIHR-Nottingham Biomedical Research Centre and works clinically as a respiratory physician, running a specialist clinic for patients with severe asthma in Nottingham. Ian has over 25 years' experience in this clinical area and in 1993 was appointed as the inaugural National Asthma Campaign Senior Research Fellow. Ian has been heavily involved in research management and clinical academic training at a national level, as well as medical education. Ian has supported Asthma UK over many years, serving on the Asthma UK research panel, contributing to Asthma UK reports, and participating in workshops for a range of activities including EARIP. Following the merger of Asthma UK and BLF Ian has continued as Vice chair for of trustees for Asthma + Lung UK.

Jim Bowes

Jim became a trustee in March 2017 to help Asthma UK maximise the benefit of its use of digital technology. He founded digital agency Manifesto which is now part of TPXimpact plc. Jim has worked in digital for over 20 years helping people create products and services around the needs of users, working predominantly across the health, housing and charity sectors. Jim is chair of the Nominations and Remuneration Committee.

Emily Bushby

Emily Bushby is the chief financial officer and chief operating officer at GuarantCo. She has been interim chief executive officer from May to December 2021 and joined the company as chief operating officer in March 2018. Her previous roles have included leading the finance functions at a world top ten university and a medical related charity, performing mergers and acquisitions for a highly acquisitive FTSE 30 business and investment management within the banking sector.

Caroline Cartellieri Karlsen

Caroline brings over 25 years' experience in online strategy, digital transformation and marketing. Her previous roles include that of chief commercial officer of Ennismore, chief digital officer at Sun European Partners and director of digital transformation at gH Hotels. Before that she held the role of chief operating officer of MySpace International as well as senior positions at Expedia and Kingfisher. Prior to this she founded a pioneering e-commerce business in New York City. She started out her career as a consultant for the Boston Consulting Group and McKinsey & Co.

She served for six years as a trustee of the Cystic Fibrosis Trust and is a former governor of the Royal Brompton and Harefield NHS Foundation Trust.

Professor Edwin Chilvers

Edwin is professor of Medicine, and head of the National Heart and Lung Institute (NHLI), at Imperial College London. He is an honorary consultant physician at the Imperial College Healthcare NHS Trust. His research interests are in inflammatory cell biology, in particular the intracellular signals that regulate the activation and survival of neutrophils and eosinophils. He has a particular interest in the signalling mechanisms regulating NADPH oxidase function in neutrophils, and the control of neutrophil and eosinophil survival by hypoxia and inflammatory cytokines. This has translational relevance to a range of inflammatory lung diseases including chronic obstructive pulmonary disease (COPD), asthma and acute lung injury. His research has received MRC and Wellcome Trust support for the past 26 years.

Dr Isabella Divanna – resigned October 2022

Isabel is a director-level business development and marketing professional. She is currently the director of business development and partnerships, EngineeringUK. She has been a director of corporate partnerships and business development in London and in Cambridge, and she spent many years working on professional development, continuing training and executive education. She has experience working in the professional services (consulting, research and advisory) and not-for-profit sectors (education, charities, Royal Charter, local government, professional and membership bodies and trade bodies) seeking to grow their portfolio and business through fundraising partnerships and commercial activities. She is a fellow of the Royal Society for the Arts, of the Chartered Management Institution and of the Institute for Leadership and Management. She is also a trustee of the Chartered Accountants Benevolent Association (CABA).

John Graham

After completing a chemistry degree at Oxford University, John trained as an accountant with Deloitte in Manchester. He worked in industry with BP, the Seiko Epson Group in the UK and eventually became finance director of Northamber plc, a FTSE 250 company. In 1996 he became finance director of NSPCC, staying with them for 11 years before moving as finance director to the Royal British Legion in 2008 until 2016. During his 20 years with the charity sector, John has been involved in a number of sector initiatives including advice on pensions and risk. For 8 years he sat on the Charity Commission SORP committee helping to articulate the international accounting standards for the benefit of the charity sector. John is the Chair of the Finance and Audit Committee.

Katherine Morgan

Katherine is currently director of transformation for Birmingham City University and has a diverse portfolio of transformational change projects aiming to support delivery of the Universities 2025 strategy. Prior to this she was director of transformation at Fenwick, following a series of senior planning, strategy and delivery roles at Sainsbury's. Katherine works with boards delivering multi-£m change programmes and enjoys using her customer and commercial focus to support the trustee board of Asthma UK and the British Lung Foundation.

Michael O'Connor

Mike has held CEO posts since 1989 with his last fulltime role at StepChange Debt Charity, the UK's largest debt advice charity. He was CEO at: Consumer Focus, the UK's statutory consumer body; the Olympic Lottery Distributor and the Millennium Commission. His early career was in the Department of Health, where he was the private secretary to two ministers for health, and in HM Treasury and Cabinet Office. He was a trustee of the Mental Health Foundation and Action on Smoking and Health. He is a member of the Advertising Advisory Committee at the Advertising Standards Authority and vice chair of the London Irish Centre Charity. He received a CBE for public service in 2000 and is a member of the Council of Fellows of the University of Keele.

Niren Patel

Niren joined as a trustee in July 2018 and is currently a senior fund manager at Aviva Investors, responsible for managing fixed income portfolios. Prior to joining Aviva Investors, Niren was a director within the Solutions business at BlackRock. Niren began his career at KPMG LLP where he worked both in investment and pension consulting. Niren is a Fellow of the Institute and Faculty of Actuaries.

Professor Ian Sabroe

Ian joined as a trustee in July 2018. He recently retired from his main role as a consultant in respiratory medicine in Sheffield and an asthma specialist. He undertook a PhD in asthma-related research at the National Heart and Lung Institute at the Royal Brompton Hospital and has continued research in this area as a consultant and professor at the University of Sheffield. He has ongoing interests in the medical humanities, and holds honorary roles with the University of Sheffield. He has worked with the charity before as a member of the Asthma UK Research Committee and the charity has previously funded aspects of his group's research.

Tamara Ingram

Tamara is a celebrated British businesswomen with a career in the marketing and advertising industry, where she has held leadership positions at some of the world's most prestigious agencies including Wunderman Thompson, Grey Group, McCann Worldgroup and Saatchi and Saatchi. Between 2001 and 2011 she served as chairman of Visit London, and in 2011 was appointed an OBE for services to tourism through her work with the organisation. As well as her work for Asthma + Lung UK she is currently chairman of integrated content agency The 10 Group, chair of the ESG committee as a NED for Marks and Spencer and non executive director of Intertek and Marsh McLennan.

Related parties

The trustees maintain a register of interest and a related party declaration is completed annually. Conflicts of interest are declared at the beginning of every Board and Committee meeting and any conflicts of interest are managed in accordance with the Articles of Association.

Asthma + Lung UK is a member of the **Taskforce for Lung Health** and provides the secretariat for this group. We are members of the Association of Medical Research Charities and maintain close links to the British Thoracic Society, Primary Care Respiratory Society UK and other professional respiratory societies, and patient charities. We are a member of the Richmond Group and we are also a member of the UK Lung Cancer Coalition, the Global Lung Cancer Coalition, the Common Cancers Coalition, the Smoke Free Action Coalition, and the Healthy Air Campaign. In the charity sector we are a member of the National Council of Voluntary Organisations.

A number of trustees and senior management sit on other respiratory health committees and programme boards and the charity is involved in initiatives across the UK.

In addition after a tender process managed by an external specialist we selected a digital company to deliver our new website which is connected to one of our trustees. The trustee will be recused from all or any discussion on the performance of the contract. Further detail is available in Note xx of the Accounts, page xx.

Membership of the Research Award Panel in 2021–22 Core members

Professor Edwin Chilvers (Chair Imperial College London)
Professor Chris Griffiths (Vice Chair – University of London)
Professor Clare Lloyd (Imperial College London)
Dr Najib Rahman (University of Oxford)
Dr Shona Fielding (Frontier Science/University of Aberdeen)
Dr David Leather (GlaxoSmithKline)
Phil Taverner (Patient Representative)
Lizzi Stephens (Patient Representative)

Respiratory members

Professor Gisli Jenkins (Imperial College London)
Professor Louise Wain (University of Leicester)
Professor Tom Wilkinson (University of Southampton)
Professor Elizabeth Sapey (University of Birmingham)
Professor Wisla Wedzicha (Imperial College London)
Professor Clare Murray (University of Manchester)
Dr Louise Fleming (Imperial College London)
Pepe Gonzales Nieto (Patient Representative)

Mesothelioma members

Professor Marion Macfarlane (MRC Toxicology Unit)
Professor Daniel Murphy (University of Glasgow)
Professor Stefan Marciniak (University of Cambridge)
Dr Sarah Martin (Queen Mary University of London)
Dr Alastair Greystroke (University of Newcastle)

Women and Asthma members

Professor Dawn Newcomb (Vanderbilt University)
Dr Apostolos Bossios (Karolinska Institutet)
Dr Jean-Charles Guery (University Toulouse)
Dr Furkan Burak (Harvard T.H. Chan School of Public Health)
Roberta Hobbs (Patient Representative)

Independent Auditor's Report to the Members

Opinion

We have audited the financial statements of Asthma + Lung UK for the year ended 30 June 2022 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the Financial Group Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2022 and of the group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 52 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR) and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, agreeing income to contracts or other supporting evidence on a sample basis, testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission and the Scottish Charity Regulator (OSCR), and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 21 March 2023

Financial statements

Group Statement of Financial Activities

for the 12 months to 30 June 2022 (incorporating consolidated income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	30 June 2022 Total funds £'000	30 June 2021 Restated total funds £'000
Income from:						
Donations and legacies		5,357	6,366	33	11,756	12,597
Charitable activities		100	1,283	-	1,383	1,683
Other trading activities		236	145	-	381	482
Investments		77	342	-	419	343
Total income	2 (b), 3	5,770	8,136	33	13,939	15,105
Expenditure on:						
Expenditure on raising donations and legacies		3,583	1,289	-	4,872	4,012
Investment management costs		23	82	22	127	111
Total expenditure on raising funds		3,606	1,371	22	4,999	4,123
Net incoming resources available for charitable application		2,164	6,765	11	8,940	10,982
Charitable activities:						
Research		1,915	3,111	-	5,026	4,988
Improving care		2,363	754	-	3,117	2,520
Advice and support		2,974	661	-	3,635	3,768
Total expenditure on charitable activities		7,252	4,526	-	11,778	11,276
Total expenditure	7a	10,858	5,897	22	16,777	15,399
Net income/(expenditure) before investment gains		(5,088)	2,239	11	(2,838)	(294)
Gains/(losses) on investments funds	12	(63)	(100)	(23)	(186)	2,141
Gains on investment assets		789	-	-	789	
Net income/(expenditure)		(4,362)	2,139	(12)	(2,235)	1,847
Transfers between funds		4,304	(4,304)	-	-	-
Net movement in funds		(58)	(2,165)	(12)	(2,235)	1,847
Reconciliation of funds:						
Fund balances brought forward at 1 July 2021		4,485	7,276	3,636	15,997	13,550
Net movement in funds		(58)	(2,165)	(12)	(2,235)	1,847
Fund balances carried forward at 30 June 2022	18	4,427	5,111	3,624	13,162	15,397

Prior year split between unrestricted and restricted appears in Note 24.

Prior year income has been restated to reflect recategorisation of donations to grants received.

There are no unrecognised gains or losses other than those disclosed above. All of the results derive from continuing activities in the period.

The accompanying notes are an integral part of this statement of group financial activities.

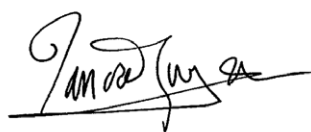
The deficit determined under the Companies Act 2006 is £2,289k (2020/21: £1,713k surplus).

Balance sheet

as at 30 June 2022

	Notes	Consolidated		Charity	
		30 June 2022 £'000	30 June 2021 £'000	30 June 2022 £'000	30 June 2021 £'000
Fixed assets					
Tangible assets	11	393	887	393	887
Investments	12	17,350	17,589	17,450	17,689
Property held for Investment	13	1,600	–	1,600	–
Total fixed assets		19,343	18,476	19,443	18,576
Current assets					
Stock		22	–	–	–
Debtors	14	1,670	2,070	1,691	2,085
Cash at bank and in hand		5,128	7,404	4,999	7,281
Total current assets		6,820	9,474	6,690	9,366
Creditors					
Amounts falling due within one year	15	8,281	9,151	8,251	9,133
Net current assets/(liabilities)		(1,461)	323	(1,561)	233
Total assets less current liabilities		17,882	18,799	17,882	18,809
Creditors falling due after more than one year	16, 17	4,720	3,402	4,720	3,402
Net assets		13,162	15,397	13,162	15,407
Represented by:					
Funds					
Endowment funds		3,624	3,636	3,624	3,636
Restricted funds		5,111	7,276	5,111	7,276
Designated funds-fixed assets		393	887	393	887
Designated fund – property held for investment		1,600	–	1,600	–
Designated funds – strategy, brand, and investment		258	1,000	258	1,000
Unrestricted funds		2,176	2,598	2,176	2,608
	17	13,162	15,397	13,162	15,407

The annual trustees' report and accounts including notes 1 to 23 were approved and signed on their behalf by the Trustees on 15 December 2022.



Tamara Ingram
Chair



John Graham
Chair of the Finance & Audit Committee

Group cash flow

for the 12 months ended 30 June 2022

Notes	30 June 2022 £'000	30 June 2021 £'000
Cash flow from operating activities:		
Net cash provided by operating activities (a)	(2,231)	2,187
Cash flow from investing activities:		
Dividends and interest from investments	419	343
Purchase of tangible fixed assets	(390)	(86)
Proceeds from sale of investments	1,322	1,584
Purchase of investments	(1,286)	(2,324)
Decrease/(Increase) of cash held in investment portfolio	(110)	678
Net cash provided by investing activities	(45)	195
Change in cash and cash equivalents in the reporting period	(2,276)	2,382
Cash and cash equivalents at the beginning of the reporting period	7,404	5,022
Cash and cash equivalents at the end of the reporting period (b)	5,128	7,404
Notes:		
Net income for the reporting period	(2,235)	1,847
Adjustments for:		
Depreciation charges	73	60
Gains/(losses) on investments funds	186	(2,141)
Gains on investment assets	(789)	-
Investment management fees	127	111
Dividends and interest from investments	(419)	(343)
Increase in stock	(22)	
Decrease in debtors	400	(459)
(Decrease) in creditors falling due within one year	(870)	2,374
Increase in creditors falling due in more than one year	1,318	738
(a) Net cash provided by/(used in) operating activities	(2,231)	2,187
(b) Analysis of cash and cash equivalents		
Cash in hand	5,128	7,404

Notes to the group financial statements

for the 12 months ended 30 June 2022

1. Charity Information

Asthma and Lung UK is a company limited by guarantee (registered number 01863614 England & Wales; 005851F Isle of Man), which is a public benefit entity and registered as a charity (charity number 326730 England & Wales; SC038414 Scotland and 1177 Isle of Man), and domiciled in the UK. The address of the registered office is 18 Mansell Street, London, E1 8AA.

Asthma and Lung UK was formed from the merger of Asthma UK and the British Lung Foundation on 1 January 2020. Upon the merger the charity became known as the Asthma UK and British Lung Foundation Partnership while it maintained two separate outward facing charity brands. On 28 February 2022 we re-launched the charity under our new name and brand.

To facilitate this merger of equals, the trustees of Asthma UK resolved to donate the net assets of the charity at fair value to the British Lung Foundation, which renamed itself to reflect the merged charity's focus. The merged charity took on responsibility for all assets and liabilities previously held by Asthma UK. Excluding endowment and restricted funds, the remaining net assets were treated as restricted in line with the pre-merger objects of Asthma UK. A restricted fund for asthma was created, into which any general income raised under the Asthma UK identity was paid. We continue to receive generous donations restricted to asthma which are also paid into that fund, and as a multi-condition charity, the same principle applies to donations received for other conditions such as COPD.

These restricted funds are grouped together with unrestricted funds to allow efficient internal management. They are used for direct charitable activity related to each condition, and an equitable share of general charitable activity and charity running costs, as well as the costs of generating income. Note 17 shows the detail of transfers between restricted core funds and the unrestricted fund to reflect this use. Our Trustees Annual Report sets out the approach to managing these funds in more detail.

2. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

Basis of consolidation

The financial statements have been consolidated to include the results of the charity's subsidiaries using the equity line by line method. Transactions and balances between the charitable company and its subsidiaries have been eliminated through the consolidated financial statements. No separate statement of financial activities for the charity has been prepared for the Charity alone as permitted under Section 408 of the Companies Act 2006. Included in the group results are income of £13,808k (2021: £14,898k); expenditure of £16,704k (2021: £15,334k); investment gains of £603k (2021: gains of £2,141k) and a net decrease in funds of £2,293k (2021: net increase £1,705k) resulting from activities of the Charity.

The particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments. The trustees do not consider that there are any 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 reporting period.

Public benefit

The Trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing Asthma and Lung UK's aims and objectives and in planning activities and setting policies and priorities for the year ahead

(b) Income

All incoming resources are included in the statement of financial activities when the group is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable. When income is received in advance of providing goods or services, it is deferred until the group becomes entitled to the income.

Legacies are recognised when all the three criteria below are met:

- a. Establish entitlement – entitlement to legacies is taken as the earlier of the estate accounts being approved or cash received.
- b. Where receipt is probable – the charity is aware that probate has been granted.
- c. The amount is measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed.

Where 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, then the legacy is treated as a contingent asset and disclosed if material.

For both government grants and grants received from other sources, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

Gifts in kind are recognised at reasonable estimates of their gross value to the charity or the amount actually realised. Gift in kind in Note 3 relates to free ad words provided by Google which has been predominantly used to promote health messaging around asthma management.

Investment income includes dividends and interest but excludes realised and unrealised investment gains and losses.

(c) Expenditure

Expenditure is classified by reference to specific activity categories, so that all direct costs relating to a specific activity have been aggregated. Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing Asthma and Lung UK's investments. The costs of these activities also include expenditure of an indirect nature necessary to support them.

Expenditure on charitable activities are costs incurred to meet the objectives of Asthma and Lung UK. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Liabilities in respect of research grants, senior research fellowships and professorial chairs are recognised at the point at which the grant is awarded which is when the future commitment represents a constructive obligation. Where a grant may run for more than one year the entire obligation is recognised at the time of the initial award, although disbursement of the funds may be made in subsequent accounting periods.

(d) Allocation of support costs

Support costs, which include general functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance are separately analysed and then allocated across the categories of charitable expenditure, governance costs and the costs of generating funds.

Governance costs relate to general running of the charity and include audit fees, legal advice for trustees, costs associated with constitutional and statutory requirements and costs associated with the strategic management of the charity.

The basis of allocation of support costs are reviewed regularly and are explained in detail in note 7(b). The basis of the cost allocation has been explained in the notes to the accounts.

(e) Pension costs

Asthma and Lung UK operates two defined contribution pension schemes for its employees depending on historical contractual arrangements. Following the end of the financial year, a single scheme was launched for all new contributions from 1 July 2022. Contributions to the scheme(s) are charged to the Statement of Financial Activities when incurred.

(f) Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight-line basis at the following rates :

Long leasehold property	over 50 years
Leasehold improvements	over the duration of the lease
General office equipment and furniture	over 5 years
Fixtures, fitting and furniture specific to buildings	over the duration of the lease
Computer hardware and software	over 3 years

Tangible fixed assets are stated at cost less accumulated depreciation or any provision for impairment.

Items under £2,000 are not capitalised.

(g) Fund accounting

The company maintains four types of funds. General unrestricted funds are funds available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside by the trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the designated and restricted funds are set out in the notes to the financial statements. At the year-end any fund deficits are maintained only when the Directors are of the opinion that such deficits will be eliminated by future committed giving or income generated from investments. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in Note 18.

For internal management purposes, we group together our unrestricted general funds and a number of restricted funds which relate to our core purpose and are akin to general funds. The largest of these is the restricted fund for asthma. We call these Core funds; whilst not a fund type under the definition of the SORP, it helps us separate the funds from more specific restricted funds, for example those held for project activity. This allows us to minimise the cost and impact of managing these funds, by apportioning an equitable share of costs according to the prevalence of each condition and demand for our services. This includes charitable activity, as well as support costs and the costs of generating funds. The details of how we manage these funds are set out in the Trustees' Annual Report, which also sets out how we set a target level of reserves with reference to the total of core funds. Note 18 includes an additional table showing the movement in core funds over the year.

Endowed funds are funds to be held permanently, where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose although their constituent assets may change from time to time.

(h) Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease or until the next review date if earlier.

(i) Taxation

The charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiaries (Asthma UK, Asthma Enterprises Limited, BLF Services Limited, and BLF Trading Limited) have not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Asthma and Lung UK is registered for VAT and has partial exemption in respect of its trading activities.

(j) Judgements and estimates

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

(k) Financial instruments

Financial assets and financial liabilities are recognised when Asthma and Lung UK becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Asthma and Lung UK 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Asthma and Lung UK has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Investments, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertaking is held at cost less impairment.

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note 14. Financial liabilities comprise all creditors as set out in Notes 15 and 16. At the balance sheet date the Group held financial assets at fair value through income or expenditure of £6,278k (2021: £8,809k) and Financial liabilities at amortised cost of £13,001k (2021: £12,553k).

3. Income

	Group unrestricted funds £'000	Group restricted funds £'000	Group endowment funds £'000	2022 Group total funds £'000	2021 Group funds £'000
Income and Endowments from:					
Income from donations and legacies					
Legacies	2,223	2,873	–	5,096	5,146
Donations from individuals and corporates	1,774	2,505	–	4,279	4,835
Donations from trusts	161	224	33	418	897
Donations from community and events fundraising	798	614	–	1,412	1,164
Gifts in kind	401	150	–	551	555
	5,357	6,366	33	11,756	12,597
Income from charitable activities					
Grants	–	1,283	–	1,283	1,616
Patient Insights	100	–	–	100	–
Amounts received under the government's Coronavirus Job Retention Scheme	–	–	–	–	67
	100	1,283	–	1,383	1,683
Income from trading activities					
Corporate income	33	0	–	33	87
Income from gaming	161	143	–	304	338
Sale of merchandise and health advice resources	42	2	–	44	57
	236	145	–	381	482
Income from investments					
Income from investment portfolio	75	341	–	416	341
Interest from cash deposits	2	1	–	3	2
	77	342	–	419	343
Total income	5,770	8,136	33	13,939	15,105

Further details on Government grants is provided in Note 22.

Prior year income has been restated to reflect recategorisation of donations to grants received.

4. Trading activities of subsidiaries

Asthma and Lung UK has four trading subsidiaries; Asthma UK, Asthma Enterprises Limited, BLF Services Limited, and BLF Limited. Asthma UK is the shell company and charity retained after the merger with Asthma UK on 1 January 2020. BLF Limited is dormant.

Asthma UK

Asthma UK is a registered company limited by guarantee in England and Wales (Company number 2422401) and a charity registered with the Charity Commission for England and Wales (802364). It is a wholly owned subsidiary of the Asthma and Lung UK. Asthma UK was retained as an active company and shell charity following the merger as a precaution to ensure the charity is able to receive any and all donations granted to it. Since the date of the merger this has not been required and there were no transactions after 1 January 2020, save for the retention of £2 of share capital and a corresponding amount owed to the subsidiary from its parent.

The net assets of Asthma UK, as at 31 December 2019, were donated to the Asthma UK and British Lung Foundation Partnership to facilitate the merger.

Asthma Enterprises Limited

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2022 and the financial position at 30 June 2022 dates for Asthma Enterprises Limited, were:

	12 months to 30 June 2022 £'000	12 months to 30 June 2021 £'000
Operating results:		
Turnover	2	2
Cost of sales	-	-
Gross profit	2	2
Administrative expenses	(1)	(1)
Net profit for the year before gift aid donation to the charity	1	1
Gift aid donation to the charity	(1)	(1)
Net profit for the year	-	-
Balance sheet		
Current assets	105	104
Creditors: amounts falling due within one year	(5)	(4)
Net assets	100	100
Share capital	100	100
Shareholders' funds	100	100

Up until 31 December 2019 Asthma Enterprises Limited was a wholly-owned subsidiary of Asthma UK. On this date Asthma UK merged with the British Lung Foundation, forming Asthma UK and British Lung Foundation Partnership and Asthma Enterprises became a wholly-owned subsidiary of the merged entity.

Any profits made by Asthma Enterprises Limited are paid by gift aid to the parent charity.

4. Trading activities of subsidiaries (continued)

BLF Services Limited

BLF Services Limited, a subsidiary, is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2022 and the financial position as at 30 June 2022 of BLF Services Limited, were:

	12 months to 30 June 2022 £'000	12 months to 30 June 2021 £'000
Operating results:		
Turnover	129	205
Cost of sales	(75)	(47)
Gross profit	54	158
Administrative expenses	0	(18)
Net profit for the year before Gift Aid donation to the charity	54	140
Gift Aid donation to the charity	(54)	(140)
Net profit for the year	-	-
Balance sheet		
Current assets	47	19
Creditors: amounts falling due within one year	(47)	(19)
Net assets	-	-
Share capital	-	-
Shareholders' funds	-	-

Any profits made by BLF Services Limited are paid by gift aid to the parent charity.

5. Research

	2022 £'000	2021 £'000
Awarded during the year	3,810	4,360
Grants written back	(60)	(266)
Total research grants charged in the year	3,750	4,094

A full list of research grants made during the year is detailed in Note 22.

6. Expenditure

	2022 £'000	2021 £'000
This is stated after charging:		
Depreciation	73	60
Auditor's remuneration	35	37
Operating lease – land and buildings	308	310
Operating lease – other	13	18

7a. Analysis of total resources expended

	Grants to institutions £'000	Activities undertaken directly £'000	Support costs £'000	2022 Total £'000	2021 Total £'000
Cost of generating funds:					
Fundraising costs	–	3,366	1,506	4,872	4,012
Investment management fees	–	127	–	127	111
	–	3,493	1,506	4,999	4,123
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	3,810	840	376	5,026	4,988
Improving care	–	2,153	964	3,117	2,520
Advice and support	–	2,511	1,124	3,635	3,768
	3,810	5,504	2,464	11,778	11,276
Total	3,810	8,997	3,970	16,777	15,399

7b. Allocation of support costs

	Finance	Governance	Executive	IT	HR	Facilities	2022 Total	2021 Total
Cost of generating funds	231	54	238	550	213	220	1,506	1,580
Research	58	13	59	137	53	56	376	248
Improving care	149	34	152	352	136	141	964	992
Advice and support	174	40	177	410	159	164	1,124	1,484
	612	141	626	1,449	561	581	3,970	4,304

Support costs have been apportioned on the basis of the direct costs of each area of expenditure (excluding research grants awarded) as a proportion of total direct costs. Governance costs incurred in 2022 were £141k (2020/21: £131k). Governance costs include staff time spent on this activity, internal and external audit fees, and direct costs incurred by the board and its' sub-committees which are allocated per distinct budgetary activity.

8. Employees

	2022 £'000	2021 £'000
Salaries	6,166	5,559
National Insurance contributions	616	573
Employer's pension contributions	308	257
Redundancy costs	–	47
Temporary staff	284	514
	7,374	6,950

	2022	2021
Number of staff (head count based on number of staff employed):		
Charitable services	87	84
Fundraising	47	43
Central services	30	25
Chief Executive Office	3	6
	167	158

Employer pension contributions have been allocated to the fund to which the salary of the respective staff member has been charged.

9. Remuneration of the charity's key management personnel

The key management personnel of the charity include the Trustees, Chief Executive, Chief Operating Officer, Director of Research & Innovation, Director of Fundraising & Engagement, Director of Services and Director of External Affairs.

	2022 £'000	2021 £'000
Total remuneration of key management personnel	666	707

The number of employees receiving remuneration of over £60,000 for the year was as follows:

	2022	2021
£60,001–£70,000	4	3
£70,001–£80,000	1	2
£80,001–£90,000	6	3
£90,001–£100,000	–	2
£100,001–£110,000	–	1
£110,001–£120,000	–	–
£120,001–£130,000	–	–
£130,001–£140,000	1	–
£140,001–£150,000	–	–

The pension costs in respect of these employees included in the above, amounted to £56k.

The salary of the Chief Executive Officer was £132,094.

10. Trustees expenses

None of the trustees received any remuneration during the year. None of the Trustees' incurred any expenses in the year (2020/21: £48 by one trustee).

11. Fixed assets

	Consolidated and Charity				Total £'000
	Long leasehold property £'000	Short leasehold property £'000	Office furniture and equipment £'000	Computer software and equipment £'000	
Cost					
At 1 July 2021	1,267	50	25	116	1,458
Additions	–	17	22	351	390
Transfer to Investment Property	(1,267)				(1,267)
At 30 June 2022	–	67	47	467	581
Depreciation					
At 1 July 2021	456	33	25	57	571
Charge for the period	–	11	5	57	73
Transfer to Investment Property	(456)				(456)
At 30 June 2022	–	44	30	114	188
Net book value					
At 30 June 2022	–	23	17	353	393
At 30 June 2021	811	17	0	59	887

Capital commitments contracted but not provided for in the financial statements comprise system £433,800 for the development of a new Customer Relationship Management system.

12. Investments: consolidated

	2022 Total investments £'000	2021 Total investments £'000
Market value as at 1 July 2021	17,589	15,497
Acquisitions	1,286	2,324
Sales proceeds	(1,322)	(1,584)
Investment management fees	(127)	(111)
Movement in cash deposits	110	(678)
Investment gain/(loss)	(186)	2,141
Market Value as at 30 June 2022	17,350	17,589
Investments: Charity only	2022 Total £'000	2021 Total £'000
UK Common investment funds	17,143	16,605
Cash	207	984
	17,350	17,589
Historical cost as at 30 June 2022	12,949	12,796

The charity has four wholly owned subsidiaries; Asthma Enterprises Limited, BLF Services Limited, Asthma UK and BLF Limited. The first two subsidiaries support the charity by carrying out ancilliary trading activities, Asthma UK and BLF Limited have had no activity during the year. The results of the two active trading subsidiaries are set out in Note 4.

13. Investment property

Consolidated and charity	Consolidated and Charity Goswell Road £000's
Cost	
At 1 July 2021	–
Transfer at net book value from fixed assets	811
Gain on revaluation	789
At 30 June 2022	1,600

The cost of the Goswell Road property has been included for the first time this year at a valuation of £1,600k.

The property was transferred to investment property on the basis that the property is no longer being used for operational purposes by the charity.

The valuation was provided by Gryphon Property Partners as part of their disposal review. The lower of two values quoted has been used for prudence.

14. Debtors

	Consolidated		Charity	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Trade debtors	200	88	200	88
Amounts due from BLF Services Limited	–	–	23	10
Income tax recoverable – Gift aid	59	239	59	239
Other debtors	78	109	78	110
Prepayments	520	664	520	664
Accrued income	813	970	811	965
	1,670	2,070	1,691	2,076

At 30 June 2022, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £4 million (2020/21: £4.2 million), which had not been accrued.

15. Creditors' amounts falling due within one year

	Consolidated		Charity	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Trade creditors	210	995	210	995
Amounts due to Interco	–	–	–	–
Tax & Social Security	186	157	186	157
Research grants accrual	6,832	6,744	6,832	6,744
Other creditors	331	402	331	403
Other accruals	498	458	494	454
Deferred income	92	121	66	107
Provisions	132	274	132	274
	8,281	9,151	8,251	9,134

Research grants represent the value of grants made up to the balance sheet date that are payable within one year.

Deferred income comprises £26k of lottery income for subscriptions collected where the draw has not yet taken place, £25k of sponsorship income from fundraising events, such as marathons, where the event has not yet taken place; and £41k of income received from a Trust for work to be carried out in future years.

Provisions comprise £132k for property dilapidations (2021: £129k), and £nil (2021: £144k) for the Breathe Easy support groups transition project.

16. Creditors' amounts falling after one year

	Consolidated		Charity	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Research grants	4,720	3,314	4,720	3,314
Other creditors	-	88	-	88
	4,720	3,402	4,720	3,402

17. Grants

	2022 £000's	2021 £000's
Balance as at 1 July 2021	10,057	7,809
Grants awarded during the year	3,810	4,360
Grants written back	(60)	(266)
Payments during the year	(2,320)	(2,924)
Recharged to third parties	65	-
Invoices received but not settled at year end	-	1,078
Balance as at 30 June 2022	11,552	10,057
Research commitments		
Awards falling due within one year	6,832	6,744
Awards falling due after more than one year	4,720	3,313
	11,552	10,057

18. Statement of funds

	Notes	1 July 2021 fund balance b/f £000's	Income £000's	Expenditure £000's	Investment Gains/ (Losses) £000's	Reallocation between funds £000's	30 June 2022 fund balance c/f £000's
Endowment funds							
Wells		113	–	(2)	(3)	–	108
Evetts	(a)	1,066	33	(17)	(26)	–	1,056
Mitchell		197	–	(3)	(5)	–	189
Glaxo Endowment fund	(b)	2,260	–	–	11	–	2,271
Total endowment		3,636	33	(22)	(23)	–	3,624
Restricted funds							
GSK-BLF Chair	(b)	(423)	74	(369)	–	–	(718)
Mesothelioma research	(c)	430	510	(341)	–	–	599
Victor Dahdelah Charitable fund	(d)	648	820	(1,305)	–	(93)	70
Taskforce for Lung Health		215	288	(332)	–	(122)	49
Garfield Weston Long Covid fund		51	–	(35)	–	–	16
NHS England Long-Covid fund	(e)	141	10	(113)	–	(30)	8
Fidelity Foundation infrastructure funds	(f)	300	150	(250)	–	–	200
Phosp Covid Fund		51	–	(52)	–	–	(1)
NHS England – Green Inhalers		–	95	(12)	–	(10)	73
Childhood RSV		–	123	(45)	–	(72)	6
Digital Patient Passports		–	75	–	–	–	75
Clean Air Community Mobilisation		–	68	(30)	–	–	38
Breathe Easy funds		43	170	57	–	(18)	252
Other restricted funds	(g)	1,731	728	(987)	–	(1,101)	365
		3,181	3,111	(3,814)	–	(1,446)	1,032
Restricted to Asthma	(h)	4,095	5,025	(2,083)	(100)	(2,858)	4,079
Total restricted		7,276	8,136	(5,897)	(100)	(4,304)	5,111
Designated funds							
Fixed assets	(i)	887	–	(73)	–	(421)	393
Investment Property	(j)	–	–	–	789	811	1,600
Strategy, brand, and investment fund	(k)	1,000	–	(742)	–	–	258
Total designated		1,887	–	(815)	789	390	2,251
General fund							
Unrestricted	(l)	2,598	5,770	(10,043)	(63)	3,914	2,176
Total general funds		2,598	5,770	(10,043)	(63)	3,914	2,176
Total unrestricted		4,485	5,770	(10,858)	726	4,304	4,427
Total funds		15,397	13,939	(16,777)	603	(0)	13,162
Funds treated as Core for internal purposes:							
Restricted to asthma	(h)	4,095	5,025	(2,083)	(100)	(2,858)	4,079
Other core-purpose general restrictions		580	84	(509)	–	(73)	82
Unrestricted general fund		2,598	5,770	(10,043)	(63)	3,914	2,176
Total Core		7,273	10,879	(12,635)	(163)	983	6,337
Endowment funds		3,636	33	(22)	(23)	–	3,624
Restricted funds		2,601	3,027	(3,305)	–	(1,373)	950
Designated funds		1,887	–	(815)	789	390	2,251
Total non-core funds		8,124	3,060	(4,142)	766	(983)	6,825
Total funds		15,397	13,939	(16,777)	603	–	13,162

18. Statement of funds (continued)

As the UK's only charity for all lung conditions, we serve a broad range of conditions and sometimes we are given money that is restricted to a particular condition. These donations fulfil our core charitable purpose and are akin to unrestricted reserves in that sense, so we group them together with unrestricted free reserves as core reserves. This simplifies our management of reserves, whilst ensuring we comply with our donors' wishes. As outlined in our Trustees' Annual Report, when we set our reserves target we compare it to the total level of core reserves, which is shown in the table above.

- (a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.
- (b) The Glaxo Endowment Fund and the restricted Glaxo Chair fund relate to a permanent endowment, the income from which is used to fund a research Chair post. The balance on the restricted fund is currently in deficit but will be replenished with the income received from the investment fund in which the endowment is held. Going forward, the trustees plan to implement a policy of total return which will guarantee sufficient income is paid into the fund so as to maintain our ability to fund the related research posts, whilst recovering the deficit. The deficit arose as a result of an historic accounting error which was corrected during the 2021-22 year.
- (c) Several donors, including an insurance company, have restricted their donations to fund various research projects into mesothelioma.
- (d) Funding from the Victor Dahdaleh Charitable Foundation is used to fund research into Mesothelioma and has been used to launch the mesothelioma research network.
- (f) The Fidelity Foundation has provided funding towards the building of a new Customer Relationship Manager system (£270,000) and to fund various strategic projects (£30,000) which is due to be completed by December 2022.
- (g) Other restricted funds consist largely of project-related activity funds, or condition-specific funds which may be spent relating only to a condition or set of conditions within the portfolio of conditions the charity supports.
- (h) The restricted fund for asthma was created upon the merger of Asthma UK and the British Lung Foundation, consisting of the net unrestricted assets of Asthma UK as at 31 December 2019. Income raised under the Asthma UK brand prior to our relaunch as Asthma and Lung UK is deemed restricted to asthma and is added to this fund. This also applies to any regular donations committed under Asthma UK, or donations where the donor has expressed a wish that the money be spent on asthma. Direct expenditure and the costs of raising money restricted to asthma are charged directly to the fund. Under the legal agreement for the merger, it was agreed that 45% of all indirect costs incurred for the benefit of all lung conditions would be transferred into unrestricted funds. These are principally the general running costs of the organisation, and any charitable spend which benefits all lung conditions including asthma, as well as the costs of generating those funds. From 1 July 2022 a new methodology is in place, as set out in our Trustees' Annual Report.
- (i) The fixed asset fund relates to the short-term leasehold of the charity's head office at Mansell Street, office furniture and equipment and various software systems.
- (j) The investment property fund relates to the charity's office in Goswell Road, London. The property is held on a long-term (973 year unexpired) lease and was formerly an operational asset, being the registered office of the British Lung Foundation prior to the merger. During the 2021-22 financial year the trustees resolved to dispose of the property through either sale or rental, and so the asset has been reclassified as a property held for investment.
- (k) In 2020/21, a new designated fund was created to fund strategic projects including the development of a new brand and raising awareness after launch. These projects are expected to be completed by December 2022.
- (l) In 2021/22 a one-off exercise was undertaken to investigate historic balances (£602,000) carried forward within restricted funds from before the merger of Asthma UK and the British Lung Foundation. These were found to be either the result of historic accounting errors, with the obligations under the restriction fully discharged, or restricted funds which should have been matched to core charitable activity and spent down. To minimise administration costs, resolve the historic accounting errors, and to ensure our restricted funds were no longer overstated, these were written back in full to unrestricted funds.

18. Statement of funds (continued)

	Group designated funds £000's	Group unrestricted funds £000's	Group restricted funds £000's	Group endowment funds £000's	2022 Total funds £000's
Fund balances as at 30 June 2022 are represented by:					
Tangible fixed assets	393	–	–	–	393
Investments	–	3,570	11,536	2,244	17,350
Investment Property	1,600	–	–	–	1,600
Net current assets/(liabilities)	258	3,326	(6,425)	1,380	(1,461)
Non-current liabilities		(4,720)			(4,720)
Total funds	2,251	2,176	5,111	3,624	13,162

19. Taxation

Asthma and Lung UK is a charity within the meaning of Part 1 of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 Schedule 6 to the Finance Act 2010. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

20. Lease commitments

At 30 June 2022 Asthma and Lung UK had annual commitments under non-cancellable operating leases as set out below:

	2022 Land and buildings £000's	2022 Other £000's	2021 Land and buildings £000's	2021 Other £000's
Operating leases which expire:				
Within one year	304	12	306	6
In the second to fifth years inclusive	50	26	354	7
Over five years	–	–	–	–
	354	38	660	13

21. Related party transactions

The trustees in office during the year are listed on page 33.

Asthma and Lung UK is a registered charity and company limited by guarantee and does not have share capital. The trustees have no financial interest in the charity's results or assets and received no remuneration for acting in that capacity.

During the year the charity appointed TPXimpact to scope and develop a new single website for the charity, which is expected to launch in early 2023. The appointment was made following a robust procurement process overseen by a firm in independent advisors, Hart Square, who ensured a fair and transparent process and were responsible for selecting suppliers to include in the tender. TPXimpact also provided limited assistance to scoping a temporary microsite for our new brand to support its launch in February 2022.

TPXimpact was itself formed from mergers and acquisitions of a number of technology companies. One of these, Manifesto, was co-founded by one of our trustees, Jim Bowes. Jim served as its Chief Executive until September 2021, when he stepped down. He has since held a part time advisory and support role with the organisation, and holds shares in TPXimpact. However Jim has no ongoing management or ownership control of the organisation and is a minority shareholder. He does not stand to personally profit from the relationship and was excluded from involvement in the tender process by both TPXimpact and Asthma and Lung UK. The contract award was overseen by our Finance and Audit Committee trustees, who were satisfied that the conflict of interest had been appropriately managed and that awarding the contract to TPXimpact was in the best interests of the charity and its beneficiaries. They were also satisfied that all participants in the tender had been given the same information and no undue influence was involved.

The total value of fund spent with TPXimpact during the year is £66k (2020–21 £nil). Within the disclosed capital commitments figure, £218k relates to the development of our new website and content management system, and will be due to TPXimpact subject to satisfactory completion of the project.

During the financial year, the charity charged BLF Services Ltd £10k (20/21: £13k) for provision of staff and £65k (2020/21: £50k) for expenses incurred on behalf of the subsidiary. Additionally, the charity collected £95k (2020/21: £104k) of income on behalf of BLF Services Ltd.

At 30th June 2022, BLF Services Ltd owed the charity £23k (2020/21: £8k)

During the financial year, the charity charged Asthma Enterprises Ltd £1k (2020/21: £1k) for expenses incurred on behalf of the subsidiary.

At 30th June 2022, Asthma Enterprises Ltd owed the charity £3k (2020/21: £1k)

There are no other disclosable related party transactions other than those disclosed in Note 10.

22. Grants awards during the year

During the year the Trustees awarded the following grants.

Grant amount £000's	Awarded to	Grant duration	Grant description
386	Professor Anne Thomas	Overall period 60 months (ending 30 Sept 2023)	Mesothelioma stratified therapy clinical trial (MiST)
386	Professor Robert Rintoul	Overall period 60 months (ending 30 Sept 2023)	Mesobank and fellowship awards
290	Professor Tracy Hussell	36 months	Aberrant B cell responses in the COPD lung: a new avenue for therapeutic treatment
300	Dr James Allinson	30 months	Characterising the pathophysiology of early COPD
81	Dr Simon Hart	18 months	A cell model for discovering biomarkers and druggable targets for pulmonary fibrosis
79	Dr Adam Byrne	19 months	Elucidating the immunological mechanisms underlying interstitial lung disease in children
45	Professor Rachel Chambers	18 months	Investigating the role of metabolic reprogramming in post-COVID-19 related interstitial lung disease (PC-ILD)
228	Dr Ahmar Shah	24 months	Exogenous sex steroid hormones and asthma phenotypes: a population-based prospective cohort study using UK-wide primary care databases
276	Dr Hannah Durrington	36 months	Women and Asthma.... It's about time! The impact of biological sex on the body clock in asthma.
98	Dr Timothy Hinks	16 months	Discovering the mechanisms of sex-specific airways inflammation and remodelling through transcriptomic, genetic, and immunopathological analyses: the SEx Specific Asthma MEchanisms (SESAME) datasets.
100	Dr Chloe Bloom	18 months	Repurposing therapeutics to reduce asthma exacerbations in women with obesity-linked asthma
80	Dr Cornelia Blume	18 months	Modulation of the transcriptome, lipidome and metabolome in respiratory epithelial cells by female sex hormones during viral infections in women with severe asthma
496	Dr Crispin Hiley	48 months	Hemithoracic Irradiation with Proton Therapy in Malignant Pleural Mesothelioma (HIT-Meso)
377	Dr Jan Lukas Robertus	36 months	Machine Learning approaches to detect pre-neoplastic changes in mesothelial cells for early detection of mesothelioma using pleural fluid and liquid biopsies
200	Professor Mona Bafadhel	48 months	Investigating oestrogen signalling and the effect upon the extracellular matrix in patients with obstructive lung disease
212	Professor Phil Molyneaux	60 months	Deciphering and targeting the microbiome-host interaction in Pulmonary Fibrosis
211	Professor Amelia Shoemark	60 months	Targeting cilia dysfunction as a therapeutic strategy for bronchiectasis
(35)	Other		
3,810	Total grants awarded		

23. Grants received

In accordance with agreements entered into with grantors, the charity acknowledges the receipt of the following grants included within the total in the statement of financial activities.

Prior year income has been restated to reflect recategorisation of donations to grants received.

Incoming resources 2022	Funder	Purpose of funding
£000's		
290	COVID Medical Research Charity Support Fund	Funding to support existing research projects impacted by Covid
123	The VCSE Health and Wellbeing Fund 2021/22	Information and awareness of childhood RSV
95	NHS England – Green Inhalers	Creation of assets and campaign to support people to make the switch to greener inhalers (communication for patients and Health Care Providers)
158	Guy's and St Thomas' Foundation	Supported our work around COP26
45	Clean Air Fund – Clean air in the city	Clean air in the city – supports our regional clean air work in key cities such as Manchester, Birmingham and Glasgow
42	Clean Air Fund – Environment Act	Supported our campaigning work to encourage the government to implement recommendations within the environmental bill
38	Clean Air Fund – Environment Act Consultation work	Supported our campaigning work to encourage the government to implement recommendations within the environmental bill
68	Clean Air Community Mobilisation	Clean air in the city – supports our regional clean air work in key cities such as Manchester, Birmingham and Glasgow etc (expansion and development of previous partnership)
150	Fidelity Foundation infrastructure funds	Development of new CRM system
273	Victor Dahdelah Charitable Fund	Supporting our Mesothelioma research including the MIST trials
1,282		

24. SOFA split for prior year (2021) between unrestricted, restricted and endowment

	Unrestricted funds £000's	Restricted funds £000's	Endowment funds £000's	30 June 2021 total funds £000's
Income from:				
Donations and Legacies	4,949	7,615	33	12,597
Charitable activities	37	1,646	–	1,683
Other trading activities	97	385	–	482
Investments	63	280	–	343
Total income	5,146	9,926	33	15,105
Expenditure on:				
Expenditure on raising donations and legacies	2,842	1,170	–	4,012
Investment management costs	19	92	–	111
Total expenditure on raising funds	2,861	1,262	–	4,123
Net incoming resources available for charitable application	2,285	8,664	33	10,982
Charitable activities:				
Research	676	4,312	–	4,988
Improving care	2,208	312	–	2,520
Advice and support	2,970	798	–	3,768
Total expenditure on charitable activities	5,854	5,422	–	11,276
Total expenditure	8,715	6,684	–	15,399
Net income/(expenditure) before investment gains	(3,569)	3,242	33	(294)
(Losses)/Gains on investments	255	1,281	605	2,141
Net income/(expenditure)	(3,314)	4,523	638	1,847
Transfers between funds	4,886	(4,886)	–	–
Net movement in funds	1,572	(363)	638	1,847
Reconciliation of funds:				
Fund balances brought forward at 1 July 2020	2,913	7,639	2,998	13,550
Net movement in funds	1,572	(363)	638	1,847
Fund balances carried forward at 30 June 2021	4,485	7,276	3,636	15,397

25. Post balance sheet events

There are no post balance sheet events.

Thank you

We are extremely grateful for the continued support from our donors, supporters, campaigners, volunteers and those people who have left us a gift in their will. A special thank you must go to our patron and our presidents for their unstinting support.

Thanks to the following business, public bodies, trusts and foundations for their generous support during 2021–22.

Major donors

Victor Dahdaleh Foundation

Trusts and Statutory

NHS England

Sport England

Childwick Trust

Peacock Charitable Trust

Robert Luff Foundation Limited

The Revere Charitable Trust

Pulmonary Fibrosis Trust

Clean Air Fund

Fidelity UK Foundation

Impact on Urban Health

Harbour Charitable Fund

Medical Research Council

Medical Research Foundation

Corporate and community partnerships

PARI Medical

Lucas

Nutricia

Catalina Services Ltd

Irwin Mitchell

NiQuitin/Perrigo

Vitol Foundation

Stewarts Investors

Thales

Northern Gas Networks

Sophie Allport

Pharmaceutical

Verona Pharma

Chiesi

Janssen

GlaxoSmithKline

AstraZeneca

Sanofi

Seqirus

MSD

Pfizer

Takeda

Amgen

Copley Scientific

We would not be able to continue our work without your support.

Company information

Company name

Asthma and Lung UK (since February 2022), styled as
Asthma + Lung UK
Asthma UK and British Lung Foundation Partnership
(until 28 February 2022)

Company number

01863614 (England and Wales)
005851F (Isle of Man)

Charity name

Asthma and Lung UK (since February 2022), styled as
Asthma + Lung UK

Previous names

Asthma UK and British Lung Foundation Partnership
(January 2020 to February 2022)
Asthma UK (until January 2020)
British Lung Foundation (until January 2020)

Charity number 326730 (England and Wales)
SC038415 (Scotland) 1177 (Isle of Man)

Presidents

Professor Sir Michael Marmot
The RT Hon Sir John Major, KG, CH

Patron

HRH The Duchess of Gloucester, GCVO

Trustees

Baroness Tessa Blackstone – Chair (resigned
October 2022)
Professor Ian Hall – Vice Chair
John Graham – Chair of the Finance & Audit Committee
Jim Bowes – Chair of the Nominations &
Remuneration Committee
Emily Bushby (resigned December 2022)
Isabel Ramos de Noronha Divanna (resigned
October 2022)
Professor Edwin Chilvers
Niren Patel
Katherine Morgan
Professor Ian Sabroe
Caroline Cartellieri Karlsen
Michael O'Connor, CBE
Tamara Ingram, OBE – Chair (appointed
November 2022)

Company Secretary

Ben Clarkson

Key senior management

Sarah Woolnough – Chief Executive
Ben Clarkson – Chief Operating Officer
Dr Alison Cook – Director of External Affairs
(to April 2022)
Henry Gregg – Director of External Affairs
(from June 2022)
James Culling – Director of Fundraising
and Engagement
Mike McKeivitt – Director of Services
Dr Samantha Walker – Director of Research
and Innovation

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London

HSBC plc
Onslow Square Branch
1 Sydney Place
London

Bank of Scotland
Pentland House
8 Lochside Avenue
Edinburgh

Auditors

Crowe U.K.
55 Ludgate Hill
London

Solicitors

Bates Wells LLP
10 Queen Street Place
London

Investment managers

Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London

Cazenove Capital
1 London Wall Place
London

Registered office address

18 Mansell Street
London
E1 8AA
AsthmaAndLung.org.uk

Asthma + Lung UK

18 Mansell Street
London E1 8AA

0300 222 5800

info@asthmaandlung.org.uk

AsthmaAndLung.org.uk



Asthma and Lung UK is a charitable company limited by guarantee with company registration number 01863614, with registered charity number 326730 in England and Wales, SC038415 in Scotland, and 1177 in the Isle of Man.

Asthma and Lung UK

England & Wales - Charity number 326730

Accounts



Annual Report 2020–2021

Asthma UK and British Lung Foundation Partnership report and financial statements for the year ended 30 June 2021

The Asthma UK and British Lung Foundation Partnership is a company limited by guarantee 01863614 (England and Wales). VAT number 648 8121 18.

Registered charity in England and Wales (326730), Scotland (SC038415) and the Isle of Man (1177).
Registered office: 18 Mansell Street, London, E1 8AA.

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Our mission

We're working to change the lives of everyone affected by lung disease.

Our support helps people who struggle to breathe manage their lung condition and live well.

Our world-leading research finds new ways to prevent, treat and cure lung disease.

Our campaigns help make vital, lasting change.

Why our work is so important

One in five people in the UK have been diagnosed with a lung disease.¹

This means there are approximately **12.7 million** people in the UK with a history of a longstanding lung condition.

This includes an estimated **four million** adults and children in the UK currently receiving treatment for asthma, including an estimated **200,000** living with severe asthma.²

Around **10,000** people a week are diagnosed with a lung condition, including an estimated **3,000** who are diagnosed with asthma.³

Each year, **115,000** people die from lung disease, the equivalent of around one in five of all deaths. Respiratory diseases are the third biggest cause of death.³

The UK has the **fourth highest** age-standardised lung disease mortality rates in Europe.³

Lung disease accounts for over **700,000** hospital admissions – around **8%** of all admissions – and over **6.1 million** hospital bed days in the UK each year. Only heart disease accounts for more.

In children, lung disease accounts for **9%** of all hospital admissions and **12%** of bed days.³ Lung disease also accounts for **11%** of deaths in children under 15.

Lung conditions cost the UK **£11bn** a year, with **£9.9bn** falling directly on the NHS and wider health care system.⁴

Every year up to **36,000** early deaths can be linked to air pollution in the UK.⁵

Over **a quarter** of care homes, nearly a third of schools and colleges and nearly **3,000** medical centres in England are located in areas of high pollution,^{**} putting people with lung conditions at risk.⁶

As air pollution levels fell during lockdown, **one in six** people living with lung conditions told us their conditions improved.⁷

Nearly **a third** of people with lung conditions avoided or delayed getting the care they needed during the winter lockdown, mostly due to fears of being a burden on the NHS, and/or not feeling safe getting care. Of this group, over a third told us their symptoms got worse.⁸

The UK could save **£1.6 billion** and prevent 17,000 early deaths from respiratory disease each year if air pollution levels were lowered to levels recommended by the World Health Organization.⁹

An estimated **3.53 million** people with asthma are not receiving basic asthma care – a written asthma action plan, an inhaler technique check and an annual asthma review.¹⁰

An estimated **2.17 million** people have uncontrolled asthma in the UK. This is a particular challenge for younger people and for those on lower incomes.¹⁰

1 BLF, *Battle for Breath*, 2016

2 GP registry data, 2020; Asthma UK severe asthma stat

3 BLF, 2016

4 BLF, 2017

5 COMEAP, 2018

6 **The Invisible Threat**, 2021

7 AUK-BLF survey of 14,000, June 2020

8 **COVID survey**, 2021

9 CBI Economics, 2020

10 **Annual Asthma Survey**, 2021

Statement from the Chief Executive



There is no doubt that the impact of COVID-19 has been particularly significant for people with lung conditions this year. When you already have a condition that leaves you struggling to breathe, the threat of another respiratory disease like COVID-19 can be terrifying. The fears and worries of people with lung conditions have been vast and varied.

We have heard countless stories of people struggling with the isolation of shielding, worrying about the return to work or school as restrictions have eased and being confused and anxious as they wait for their COVID-19 vaccination. People have told of their frustration at waiting for months to get a firm diagnosis so they can begin treatment. Others have told us they have been unable to access routine care or get the specialist treatments and therapies they need to help them better manage their condition.

Throughout this tumultuous time, we have been here to offer reassurance, advice and support. In fact, I'm proud to say that we have helped more than 1.8 million people with clear, accurate and up-to-date health advice through our website, and that our helpline teams have provided a listening ear to more than 30,000 callers.

COVID-19 is shining a spotlight firmly on respiratory conditions, and we have used this opportunity to raise the profile of lung conditions and remind decision makers how few respiratory healthcare professionals we have in the UK and of the vital need to address this. We have campaigned for governments in all four nations to better support people with lung conditions, improving their access to routine care, specialist medicines and treatments and giving them timely access to COVID-19 vaccinations.

We have also been urging funders and the research community to prioritise research into lung conditions. We have continued to invest in ground-breaking science that will make a real impact for people with lung conditions – from new treatments for people with COPD to technology that helps people better manage their asthma.

Tackling air pollution has dominated the news agenda this year in the run-up to the UN Climate Change Conference (COP26) and remains a high priority for us. Toxic air may be invisible but its devastating impact is clear; it causes conditions like asthma and can provoke life-threatening COPD flare-ups and asthma attacks.

You may have read the devastating case of nine-year-old Ella Adoo-Kissi-Debrah, who died from an asthma attack triggered by shockingly high air pollution levels near her home in Lewisham. She became the first person to have air pollution listed as a cause of death on a death certificate. Ella was a keen footballer, a gymnast, a dancer. She enjoyed fantasy novels and making up songs. Her precious life was cut short, in part because of dirty air.

We are determined to do all we can to prevent deaths like Ella's. We have been raising awareness of the health impacts of air pollution and galvanising support. Our report *The Invisible Threat* revealed the shocking air pollution levels around schools, GP surgeries and care homes. We generated significant media coverage and secured the support of more than 12,000 clean air campaigners, urging the government to bring about

stronger clean air laws. We have also campaigned in major cities including London, Birmingham, Manchester and Liverpool for the introduction of air pollution measures.

While the roll-out of the COVID-19 vaccines offers us all a beacon of hope and the chance to get back to our old way of life, change and uncertainty remain for people with lung conditions. We will therefore continue to expand our services to reach more people. We will continue to fight for people with lung conditions to breathe clean air and to access the treatment and support they need and deserve. We will continue to invest in ground-breaking research, and we will make it all happen by expanding our fundraising activity and inspiring people to give back in multiple ways.

Of course, we couldn't deliver all of this without our dedicated supporters; people like fundraiser Ray, who is 76 and has dedicated more than a decade of his life to raising over £12,000 for us in memory of his wife, Jean, who he lost to mesothelioma. It's incredibly inspiring for me and the whole AUK-BLF team to work with such wonderful supporters and I am immensely proud of everything we have achieved. We will continue to change the lives of everyone affected by lung disease, next year and beyond.



Sarah Woolnough

Chief Executive, Asthma UK & British Lung Foundation

Strategic report



Our impact in 2020–21

At a time of increased anxiety among our beneficiaries, we've continued to provide vital support. We've been proactive in ensuring our health advice pages have reflected the questions our beneficiaries want answered, including producing Long COVID-specific resources that have been translated into five different community languages.

We've also continued to invest in vital respiratory research. We have partnered with high-profile research and innovation programmes, as well as supporting and funding our own research into serious lung diseases like COPD (chronic obstructive pulmonary disease). Research highlights of the year include our exciting partnership with the National Institute of Health Research (NIHR) and the Engineering and Physical Sciences Research Council (EPSRC) to help revolutionise asthma treatment and care. We are also partnering on one of the largest studies in the world on Long COVID, PHOSP-COVID.

We've continued to share our research and insight from patients to drive change. We've secured extensive media coverage in more than 9,000 national, regional and trade media outlets to raise awareness of the seriousness of lung conditions and the health risks that cause them, covering topics as diverse as improving air pollution in schools and urging the government to prioritise booster vaccines for people with asthma. We've advocated for people with lung conditions behind the scenes, engaging with politicians and other influential policy makers and decision makers, such as working with parliament to ensure the Environment Bill includes bolder clean air laws.

The Taskforce for Lung Health, an independent collation of 40 organisations and individuals with an interest in lung health for which we provide the secretariat, has also fought to make lung health a higher priority in government policy and decision-making. This year the Taskforce persuaded NHS England that respiratory disease deserves more attention and will continue to keep pressure on decision makers to implement the respiratory programme detailed in the NHS's new Long-Term Plan.

All of this great work is made possible by our incredible supporters, who have shown remarkable dedication, resilience and ability to raise vital funds. In a year where in-person fundraising events have at times been halted, we've had to adapt to focus on digital fundraising to continue to raise funds from individuals, corporates, trusts and foundations. And to keep improving in this area, we've increased our supporter engagement to ensure our supporters have an open two-way dialogue with us.

Advice and support

Ongoing impacts of the pandemic have kept demand for our services high, with calls to our Helpline team exceeding 30,000 this year. Our beneficiaries felt the full impact of the lockdowns and COVID restrictions, so the need for up-to-date health information and advice had never been higher.

Our online health advice pages were viewed by 18.5 million people including almost 4.5 million views of our COVID advice pages. Last year we saw early signs that some people recovering from COVID-19 can have ongoing breathing difficulties. This condition soon acquired the name Long COVID and we began to see a whole new group of beneficiaries seeking our help. We responded quickly, developing a hub of online information and subsequently developing a whole suite of information resources to support people living with Long COVID. We produced tailored health advice for these people and between February and September 2021 this information was viewed 374,918 times.

With the aid of a grant from the Garfield Weston Trust we also developed videos about breathlessness and exercise in relation to Long COVID. We were able to translate these valuable resources into different languages. Long COVID is clearly not going away and is now the second most popular search query on our websites.

As well as creating new content for our beneficiaries we are constantly reviewing and updating existing products. The Asthma Action Plan has been reviewed, updated and reproduced in eight different languages. It's one of our most popular health products to download, together with our COPD Self-management Plan and Exercise Handbook.

Regrettably, for much of this year our support groups have remained closed for face-to-face meetings and our team had to pivot to online Zoom meetings. This has given us the opportunity to create more groups and think about other new ways of supporting our beneficiaries, such as offering online exercise sessions.

Research and innovation

Our research continues to be an integral part of what we do, and this year we've worked in partnership with the National Institute of Health Research (NIHR) and the Engineering and Physical Sciences Research Council (EPSRC) to award £4 million of grant funding in asthma health technology research to revolutionise the way people with asthma manage their condition, prevent asthma attacks and improve their quality of life. The joint fund was created to support the development and adoption of scalable and effective asthma health technologies, from concept stage through to use within the NHS. The winning projects include symptom tracking apps, home monitoring systems that detect wheezing in children, and the development and testing of a device which clips on to an inhaler and provides real-time inhaler technique support.

Another research highlight from the year is an AUK-BLF-funded project by Dr Nick Hopkinson which has shown that 'lung volume reduction' – surgery to remove diseased parts of the lung or valves and direct air flow to healthy areas of the lung – is a safe and successful treatment option for selected COPD patients. This study informed NHS England's clinical commissioning policy in November 2020, which has recommended the surgery as a therapy that should be considered for appropriate patients. This is important because there is currently no cure for COPD and existing therapies like inhaled drugs and physical exercise programmes which help control symptoms are not always available or suitable for everyone.

We are partners on PHOSP-COVID, an £8.4-million study to understand and improve long-term health outcomes for patients who have been in hospital with confirmed or suspected COVID-19. It is one of the largest studies in the world on Long COVID. Breathlessness is one of the most common symptoms of Long COVID, and findings from the study may help us to better understand other lung conditions. To date, the programme has produced research that has transformed global understanding of Long COVID and influenced the development of services. Throughout the project we have ensured that research priorities are anchored in the needs and experience of people with Long COVID.

We have also committed increasing resource to partnering on externally funded, high-profile research and innovation programmes to promote patient-centric research. We're empowering people with lung disease to be meaningfully involved, encouraging greater use of patient insights and increasing overall investment in respiratory research. In 2020/21 we supported 25 applications for funding, of which nine were successful, and secured £74,900 direct income to AUK-BLF to deliver our commitments to these programmes. The overall value of the programmes and projects we are currently supporting through patient involvement and related activity is £32.6 million.

We are a founding charity partner with the Our Future Health programme, which will collect and link multiple sources of health and related information, including genetic data, across a cohort of five million people that reflects the UK population. This will create a world-leading resource for academic and commercial researchers to undertake discovery research on early indicators of disease, plus the opportunity to re-contact participants on a risk-stratified basis for secondary studies. The programme has an initial £79 million of funding from government, and additionally expects to secure up to £160 million from industry and charity partners.

Improving care

COVID-19 has shone a spotlight on the debilitating nature of respiratory conditions and the urgent need to drive systemic improvements in care and quality of life for people who suffer from breathlessness. During this unprecedented public focus on a respiratory virus, we have shared our research and insights from patients to influence policy makers and drive these improvements, not just for people with COVID, but for all people with respiratory diseases. We have raised awareness and recommended how governments should, amongst other things: tackle health inequalities; rectify the backlog of respiratory diagnosis and care caused by the pandemic; introduce stronger laws to tackle air pollution; ensure specialist support for people who have developed Long COVID and fund effective and accessible stop-smoking services.

As the pandemic evolved, much uncertainty arose around government announcements on shielding, the reinstatement of routine assessments, advice for children going back to school, the use of face coverings on public transport, and who would be prioritised for the COVID-19 vaccine. We worked hard to get clarity from the government and other bodies on these issues and convey it to our beneficiaries. We campaigned to urge government to prioritise people with asthma who were most at risk for vaccination, commissioning research to reveal how many at-risk people were missed out under initial guidelines, securing extensive media coverage and setting up an e-action, which gathered the support of more than 27,000 people. We are now calling on government to tackle the backlog and ensure basic care is restarted for people with lung conditions.

Prevention of lung disease, particularly tackling air pollution, has continued to be a priority for us. We have been thought leaders in this area, responding to the Prevention of Future Deaths report which was released in response to the sad death of schoolgirl Ella Adoo-Kissi-Debrah after air pollution triggered a fatal asthma attack, and campaigning for local air pollution measures in Birmingham, Manchester, Liverpool and London. Our regional clean air campaigns reached nearly 19 million people in the UK through media and digital channels, and 1,000 local people helped us by sending messages to their local decision makers.

Our report *The Invisible Threat* exposed the shocking impact of air pollution on lung health, with our analysis revealing how many schools, hospitals and care homes were in areas of high pollution. It resulted in widespread media coverage across more than 400 media outlets. Additionally, more than 12,000 people signed our petition calling for bolder clean air laws and we've been working with parliament to ensure this is the case in the Environment Bill.

Understanding the lived experience of people with lung conditions is vital to shaping what, how and why we do what we do, so this year we expanded our patient panels into Wales and Northern Ireland and continued working with our panels in Scotland and England. We also identified ways to improve our engagement with ethnic minority communities and gathered the views of more than 12,000 people with asthma and more than 8,000 people with COPD to provide the evidence base for our Asthma Care in a Crisis report and our first ever annual COPD report, to be published at the end of 2021. The latter is the first ever state-of-the-nation, annual survey about the lived experience of the 1.2 million people currently living with COPD in the UK.

Working across the UK to influence change, this year we brought together politicians from all parties via our newly launched All Party Group on Lung Health in Northern Ireland. We also influenced political manifestos in Scotland and Wales and secured support for policies to tackle air pollution and improve access to rehabilitation.

Over the year, we have secured significant media coverage to raise awareness of the seriousness of lung conditions, convey vital health advice, showcase the research we are doing and campaign for change to improve the lives of people with lung conditions. This includes more than 9,000 online articles in the national, regional and trade media and more than 2,900 TV and radio appearances.

Across our own social media platforms, we have delivered news about our work, life-saving health advice and information about issues that may affect people with lung conditions to around 1.8 million people every month. We have reached new audiences, gaining more than 9,000 new followers across all platforms this year.

Taskforce for Lung Health

The Taskforce for Lung Health, a coalition of 40 organisations and individuals with an interest in lung health, published our Five Year Plan for Lung Health in 2018. The plan makes 43 recommendations in key areas – prevention, diagnosis, treatment, living with a lung disease, end of life, and workforce. Taken together and implemented in full, these will transform outcomes for people with a lung condition. We continue to provide secretariat to the Taskforce, providing planning, coordination and administrative support.

The Taskforce has worked tirelessly over the past 12 months, adapting to the difficult and ever-changing circumstances brought on by the COVID-19 pandemic. Elevating patient voice is central to the Taskforce's work, and in response to the pandemic we supported our patient and carer representatives to call on policy makers at the end of 2020, setting out what matters most to them as a 'prescription for change'.

We've made encouraging progress across our priority areas of diagnosis, getting treatment right and pulmonary rehabilitation. For example, we saw huge national commitments to develop a new clinical pathway for diagnosing breathlessness and to establish 'one-stop' community diagnostic hubs across the country. These are key recommendations in our plan and have the potential to truly transform the diagnosis of lung disease.

We have also added a range of new metrics to our lung health data tracker, allowing the public to track progress across key areas of respiratory health.

The Taskforce continues to grow in relevance and influence. Membership has increased from 35 to 40, media presence has expanded to include regular broadcast and print coverage, and social media presence has grown, allowing us to reach new audiences on new platforms.

We are delighted that the hard work of all our members, and the Taskforce's impact, has been recognised externally by winning Collaboration of the Year at the Charity Times Awards.

Governance

Strong governance is critical to our success.

The Trustees understand that effective governance will ensure our continued success and strong reputation. During this challenging period, the Trustees complied with their duty to have due regard to the Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant and stayed true to the Charity's objects. The organisation is governed by its Articles of Association which sets out the charitable objectives; these are:

- the relief of persons suffering from diseases of the chest and lungs, to include, on a continuing basis, asthma, and the prevention of those diseases;
- the promotion of medical research into the prevention, treatment, alleviation and cure of those diseases and the dissemination of the useful results of such research for the benefit of the public and the promotion of post-graduate training and the creation of fellowships, hospitals, medical centres and research institutes; and
- the provision of care, support, services and information for persons suffering from those diseases.

The Board of Trustees takes overall responsibility for the work of the Charity. The Board achieves this by:

- Fulfilling the objectives of the Charity, as set out in the governing documents, and ensuring the impact of the Charity's work is clearly communicated.
- Ensuring the Charity is effective, responsible and is conducted legally.
- Safeguarding finances, resources and property to ensure they are used to the maximum advantage of the beneficiaries.
- Being accountable to our stakeholders, including supporters, regulators and the public.
- Establishing clear boundaries for staff and volunteers who carry out our work between the governance role of the Board and the role of the executive.
- Ensuring the Board operates effectively.
- Implementing strong safeguarding processes to ensure staff, supporters and everyone who comes into contact with the charity is protected from harm.

Structure and management

Asthma UK and British Lung Foundation Partnership (the Charity) is a company limited by guarantee (registered company number 01863614 in England and Wales and 005851F in the Isle of Man) and is a charity registered in England and Wales (326730) regulated by the Charity Commission, and Scotland (SC038415) regulated by the Scottish Charity Regulator and the Isle of Man (1177).

It is governed by a Board of Trustees chaired by Baroness Tessa Blackstone under powers defined in the Memorandum and Articles of Association which was last updated in December 2020.

The Board of Trustees comprises the directors of the company who are also members of the Charity. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 30 June 2021 was 12.

The Asthma UK and British Lung Foundation Partnership has three subsidiary companies: Asthma Enterprises Limited, BLF Limited and BLF Services Limited. More details on the subsidiary companies are available on page 64 of the financial statements.

The day-to-day running of the Charity is the responsibility of the Executive Team, led by the Chief Executive, Sarah Woolnough, who joined the organisation in December 2020.

Trustees

The Board of Trustees will have at a minimum five and up to 15 trustees (2021: 12). In December 2020, the Articles of Association were amended to change the term of office from a maximum of three terms of three years to two terms of four years. Retiring Trustees can be reappointed but no Trustee can serve more than two consecutive terms unless the Trustees agree there are exceptional circumstances.

Honorary officers are defined as Chair, Vice-Chair, or Treasurer and the Trustees may appoint a Trustee on a term of office as they see fit.

All Trustees receive no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

The Nominations and Remuneration Committee meets regularly to review the composition of the Board of Trustees and acts on any upcoming vacancies. Vacant positions on the Board are advertised externally. Prior to any recruitment process, the Trustees will consider the range of skills and Board diversity. On occasion, the Nominations and Remuneration Committee may identify and approach individuals thought to have the right skills, and invite for application to the Board. New Trustees are proposed by the Nominations and Remuneration Committee and formally appointed by the Board.

New Trustees are given an induction tailored to their role, including meeting with relevant staff and senior management team members, historical information including committee minutes, governance, strategic plans, business plans, risk registers and management accounts. Each Trustee is given information on the legal duties and expectations of a Trustee and invited to attend external Trustee training events funded by the organisation. On appointment, each Trustee completes a register of interests, which is renewed annually, and agrees to abide by the Charity Governance Code and the Charity's Code of Conduct. The Code of Conduct sets out the principles that Trustees must adhere to and ensures that the organisation is effective, accountable and high standards of integrity are achieved. The principles are:

- Selflessness.
- Integrity.
- Objectivity.
- Accountability.
- Openness.
- Honesty.
- Leadership.

The principles have been supplemented with examples from the National Council for Voluntary Organisations' Ethical Principles and the Nolan Principles of Public Life.

Trustees are encouraged to become involved in the Charity's activities and sub-committees, using their skills and experience, and attend other events held by the Charity so that they become informed and fully involved in all aspects of its work. See pages 38 to 40 for full details of our Trustees.

Effective governance will ensure:

- that we achieve and can demonstrate our impact
- the objects of the charity are advanced
- compliance with laws, regulations and best practice
- that the organisation is well run and efficient
- that problems can be identified early and dealt with appropriately.

The Board of Trustees oversees governance and is responsible for upholding the Charity's values. The Charity Governance Code is used on an annual basis to benchmark and assess the organisation's compliance with recommended best practice. The results from the review are discussed at the Nominations and Remuneration Committee and the Board to ensure any outstanding actions have been considered and appropriate remedial actions have been implemented. The Code was last reviewed in October 2021, to take account of the improved principles regarding equality, diversity and inclusion.

Asthma UK and British Lung Foundation want to ensure that everyone who comes into contact with the Charity, whether they are an employee, beneficiary, supporter or a member of the public, is treated with respect and dignity. We have reviewed our Equity, Diversity and Inclusion practices and have implemented changes.

Progress so far has included:

- A new consolidated EDI policy which sets out our vision.
- A new Recruitment policy within which we clarify that we won't ask for a degree unless a specific degree is required, widening the demographics of those we seek to recruit.
- We have signed the 'Show The Salary Pledge' as well as being a Living Wage employer. Research shows that people from some underrepresented groups have poorer outcomes when salaries are not transparent in the hiring process. We have therefore committed to always showing the salary when we advertise roles.
- We have built up a network of external critical friends who have helped us finalise our policy and finesse the ideas in the action plan and have been founder members of a new Richmond Group EDI Leads network to share ideas and best practice.
- We ran an internal attitudes survey in 2020 which told us staff thought we needed to do better in terms of our beneficiary reach but were broadly happy with our internal approach.
- We have added a diversity and inclusion focus to some of our key projects, such as the Long Covid work generously funded by the Garfield Weston Foundation, which allowed us to produce videos in multiple languages and target people with Long Covid who do not typically access our services
- We commissioned an external report to understand the underlying causes behind underrepresentation of certain groups, in particular ethnic groups, in accessing our services.
- We have begun work to ensure our patient involvement work covers a more diverse group of people with asthma and other lung conditions.
- We have significantly improved our data on staff EDI profile and following staff feedback we added a new indicator to our Pulse engagement survey asking staff whether they feel we provide an inclusive place to work and people can bring their true self to work. The initial response pleasingly scored 4.11/5, i.e. the average person strongly agrees with the statement.

Things we are planning to do next include:

- Finalising and launching our action plan of top priorities for the next 12 months.
- Making significant progress towards achieving our ambition to be there for everyone with a lung condition, regardless of their background, considering the findings of our external review and the views of our external critical friends and peers.
- Ensuring we continue to be an inclusive place to work where people can be their true and best selves.
- Recruiting a new post of EDI Lead, to embed our EDI focus in the organisation.
- Undertaking a further attitudes survey to understand in more detail how people think the organisation respects differences and to explore how inclusive our culture is.
- Embedding inclusion into our plans for future working environments, as we seek a new way following the pandemic, for example by building flexibility in to recognise the different needs of our diverse workforce.



Our aims for 2021–22

- Gather data and insights from health care professionals and people living with a lung condition.
- Expand our service offer across channels and communities and campaign for better NHS care.
- Influence policy makers across all four nations to prioritise the needs of those with lung conditions including focusing on the prevention of lung conditions (such as tackling air pollution and smoking), addressing the backlog in respiratory care and tackling health inequalities.
- Leverage the interest in coronavirus to significantly increase respiratory share of research and innovation funding, partnering to drive collaborations focused on the biggest unmet needs.
- Continue to provide the secretariat for the Taskforce for Lung Health.
- Raise the profile of respiratory conditions and make an urgent case to funders, scientists and governments about the need for a radical increase in funding of respiratory research, and continue to fund the best quality research in this area.
- Expand our fundraising activity, identifying opportunities to innovate and providing tailored information and health advice to inspire people to give back in multiple ways.
- Build sufficient capacity across the organisation and deliver new systems and processes that increase sustainability and efficiency and minimise support costs.

Our approach to fundraising

With the COVID-19 pandemic continuing to have a huge impact on the organisation, we have been continually surprised, amazed and thankful for the generosity shown by our supporters.

At a time of great demand for our services, our supporters have shown a remarkable dedication, resilience and ability to raise vital funds so that we can be there for those who need us most. Without our passionate supporters, we would not have been able to do this.

In a year like no other, we have continued to adapt, modify and improve our fundraising to make it as efficient and effective as possible. A pivot into more digitally focused fundraising allowed us to continue to raise funds from individuals, corporates, trusts and foundations in a sensitive way and has brought new opportunities for people to continue to participate in our events and activities.

The executive team has oversight of all fundraising activities and monitors performance against key indicators to identify any significant challenges or changes we need to make.

We are always keen to hear from our supporters and we always strive to make the supporter experience the best it can possibly be. As we continue to improve in this area there has been an increased focus on supporter engagement throughout the last year. This has meant increased two-way dialogue with our supporters, leading to improved communication and recognition of supporters' wants and needs.

Participation in fundraising regulation and our compliance with the code

We value the support of every one of our donors and work hard to ensure that our fundraising activity is open, legal and fair. We work with the Fundraising Regulator and the Institute of Fundraising to make sure our fundraising activities operate to the highest standards. We proudly adhere to the Code of Fundraising Practice and our Fundraising Promise is posted on our website. We never sell contact data and our supporters can change their communication preferences at any time.

How we protect vulnerable people

Every donor is an individual with a unique background, experiences and circumstances – and every interaction between a fundraiser and donor is different. We require all staff to follow best practice guidelines for dealing with vulnerable people and our policy for Fundraising with Vulnerable Supporters is available on our website. We constantly review best practice guidance on protecting individuals at risk and have updated our self-exclusion from gambling process to safeguard the wellbeing of individuals. We have recently reviewed our fundraising policies to ensure they remain up to date with best practice. We ensure we appropriately act to protect potentially vulnerable people whilst also protecting the reputation of the organisation and its employees.

We comply with the Institute of Fundraising guidance, set out in *Treating Donors Fairly: Responding to the Needs of People in Vulnerable Circumstances and Helping Donors Make Informed Decisions*. We also require our staff, and any agencies contacting members of the public on our behalf, to comply with guidelines provided by the Data and Marketing Association and the Public Fundraising Regulatory Association. These guidelines do not cover children and young people under the age of 18, and we do not actively seek donations from them.

How we monitor fundraising activities by third parties

We work with a variety of third parties to raise money, including commercial participators and professional fundraisers. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. This year we continued to employ a telephone agency to call people on our behalf. We provided training to their staff and monitored calls regularly to ensure they represented the organisation appropriately.

Complaints

Asthma UK received 67 fundraising complaints and British Lung Foundation received 65. We have not received any complaints through the Fundraising Regulator. We take all complaints seriously. Simple complaints are generally dealt with immediately by our Supporter Care Team. In all cases we aim to resolve or acknowledge receipt within five working days and our Fundraising Complaints Procedure is easily found on both websites.

Fundraising Preference Service (FPS) requests

The Fundraising Preference Service, run by the Fundraising Regulator, is aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. Asthma UK received nine of these requests and British Lung Foundation received 11 in the period from 1 July 2020 to 30 June 2021.



Volunteers

Our volunteers provide invaluable knowledge, help and support to our organisation. We are so grateful for the different ways in which people support our work.

Our support groups provide members with information, friendship and skills to help self-manage their conditions. They are run nationally by 300 volunteers who freely give up their time to make sure their members are well supported. A further 6,319 people volunteered their time and lived experiences to inform our service design and development, helping us to ensure that we meet the needs of our service users. These included 5,386 contributing to Long COVID-related projects; 208 contributing to severe asthma-related projects; and 725 contributing to ongoing development and maintenance of our WhatsApp helpline service.

This year, our volunteers have been incredible. Their response to a period of major change and their resilience have been inspiring and helped keep our support network thriving. The pandemic meant that some volunteers' involvement increased as they actively supported their members through this very difficult time.

Guiding our volunteers through the ever-changing guidelines has been challenging. Through our national network events we provided support and encouragement to keep volunteers informed and motivated. Supporting the network through live online sessions has connected us with more members. This helped us tackle social isolation and got people moving after a long period of inactivity.

Our 'Motivational Monday' and 'Feelgood Friday' online sessions helped us build a wonderful digital community. We cautiously look forward to face-to-face meetings in the future but our relationship with Zoom is not over. Staying connected has never been easier. Seeing our volunteers on screen has kept team spirits high and hopes bright. Adapting to the changing environment has taken our volunteers and the network in a new and exciting direction this year, one that we are all embracing.





One volunteer, Derek Cummings (above), launched an online support group which has even attracted members from abroad.

“ I feel absolutely fantastic after my Zumba with Anne. I have done Zumba gold for many years using my rollator as I have balance issues alongside my COPD. I am on oxygen 24/7 now so this is the first of me doing any chair Zumba and I can't thank everyone enough for bringing such joy in this pandemic. Looking forward to next week. Thanks again.

“ I just thought how strange this was for me because without COVID I would not be meeting all of you and sharing in this way. I was never able to get to your conferences but now I have met so many lovely people – all of us with a common ailment, our lungs. One of our members said she had learnt more in the last year about her condition than ever before. I had to agree. It was the same for me and I too have learnt more about the BLF and all you do for us. We are all grateful.

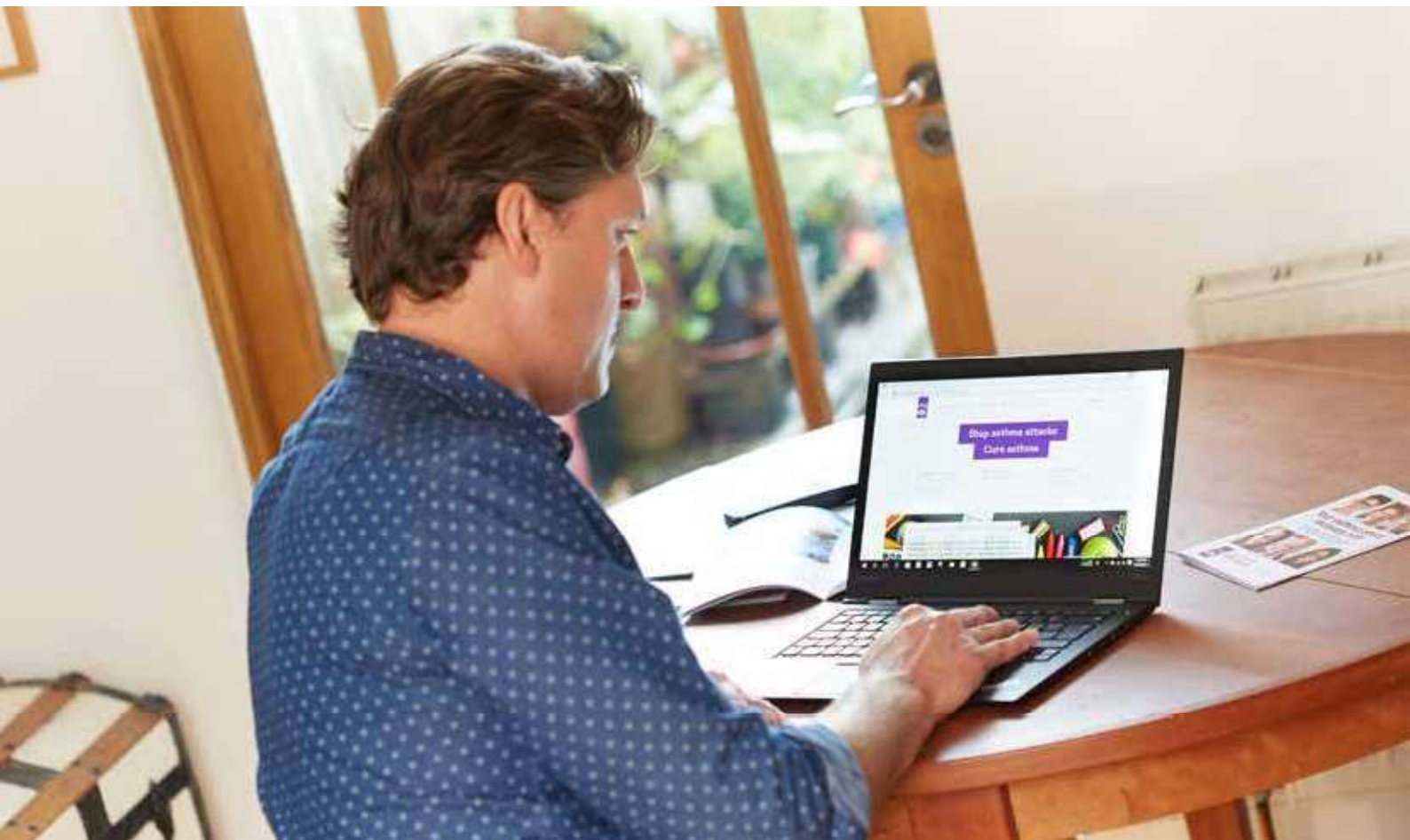
“ We're very grateful for the support the BLF have given us as support groups, we don't know where we'd be without it – especially now.

We are also delighted to have the support of 140 Asthma UK and 70 British Lung Foundation volunteers to ensure our health information is rooted in the lived experience and language of people with asthma and lung disease, via the Reader's Panel.

The Asthma UK Lay Advisory Panel is a group of 15 volunteers made up of people with asthma and carers of people with asthma. The Panel acts as a strategy sounding board for the Executive Team to ensure that our plans and key messages are informed by the insight of people directly affected by asthma. We are very grateful for the volunteers and the work of the Chair, Caroline Smith. We are continuing to evolve how we ensure people with a range of lung disease inform our work strategically.

The Council of Healthcare Professionals provides expert clinical advice to guide the Charity's operational activity and inform our strategy. Drawn from the wider clinical community and representing all sectors (primary, secondary and tertiary) across the UK, council members volunteer their time to inform and shape our understanding of emerging clinical issues, opportunities and guidance. We are very grateful for the work of the Council of Healthcare Professionals and the Chair, Dr Andrew Whittamore. Again, we are looking at opportunities to integrate this across the wider organisation and the broader respiratory community.

Our Research and Policy Volunteer Network is a group of more than 300 patient experts who have expressed an interest in getting involved in research. With this group and a strong network of wider supporters, we are uniquely positioned to facilitate patient involvement in research projects and funding applications. This increases the chance of a project getting funded, and also means the lived experiences of people living with lung disease are adequately considered in research that can improve their lives.



Data protection

Data protection is an ongoing process – we continue to build data protection into everything we do. We ensure we only collect and use personal data in line with the Data Protection Act 2018, UK General Data Protection Regulation and Privacy and Electronic Communication Regulation (PECR) and constantly monitor our activity to ensure data is used appropriately and in line with expectation. An Information Governance Management Group meets each month to discuss and agree on enhancements to policies and practices involving data collection. We regularly review any data complaints we receive and review any action plans arising from third party assurance. We do not sell any personal data to third parties.

Financial review

We spent £15.3 million in pursuit of our vision: for everyone to breathe clean air with healthy lungs.

Financial overview

The Trustees present their report and the audited financial statements for the year ended 30 June 2021.

At midnight on 31 December 2019, the British Lung Foundation merged with Asthma UK and became the Asthma UK and British Lung Foundation Partnership. This report covers the first full financial year of the merged charity, whilst the prior year comparatives represent the activities of the British Lung Foundation for the six months to 31 December 2019 and of the merged partnership for the six months to 30 June 2020.

The financial statements comply with the current statutory requirements.

Overview

	2020–21 £'000	2019–20 £'000
Gross income	15,105	11,557
Gross expenditure	15,399	10,790
Net income/(spend) before investment gains	(294)	767
Gain/(Loss) in value of investment	2,141	(1,069)
Receipt of assets on merging	-	8,532
Net movement in funds	1,847	8,230

How we spent our money

Total resources expended were £15.4 million, £4.6 million more than the previous year. Though the previous year figure is impacted by accounting for the merger, the underlying increase in expenditure reflects our success in leveraging the benefits of the merger to have greater impact for our beneficiaries. People with asthma and lung diseases needed us more than ever through the pandemic and we were able to increase our charitable expenditure to meet the increase in demand, whilst using reserves to meet the shortfall in income. There was an increase spend in fundraising activity of £1.1 million and an increase spend on charitable activity of £3.5 million.

We spent £5 million on research (2019/20: £1.6 million), with the increase partly due to grant rounds which were delayed by the initial months of the pandemic.

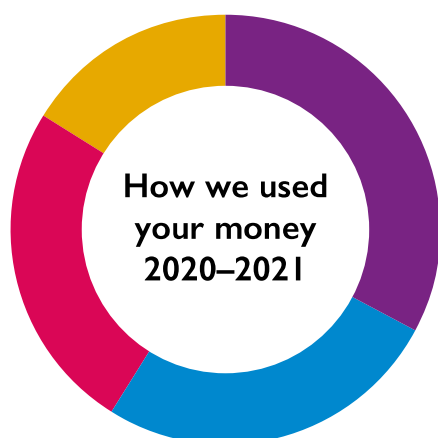
Expenditure on improving care increased by £0.6 million and expenditure on advice and support decreased by £0.5 million. The latter includes our helplines, digital advice and awareness campaigns, and the reduction is due in part to efficiencies achieved through the merger, rather than reductions in support available. The reduction is also due to the termination of projects which were no longer possible during the pandemic as they could not be delivered in-person to beneficiaries who were shielding.

Support costs

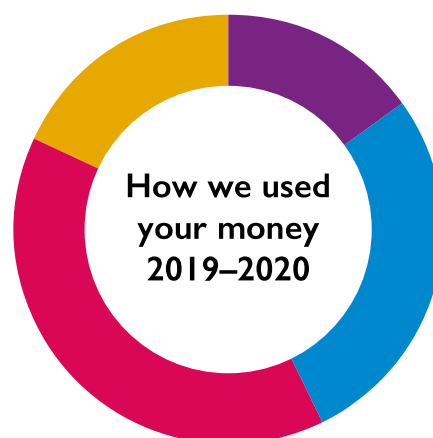
Support costs include the Finance, People and Technology teams, as well as governance and facilities. Support costs were £4.3 million which are up £1.9 million on last year. This increase is mainly due to the fact the prior year figures are a mixture of six months of BLF alone, and six months of the merged charity. There are also some one-off costs associated with improving the infrastructure of the charity, particularly around technology, and a consolidation of budgets for digital products within the technology budget (previously decentralised) to ensure greater control and identify efficiencies. We continue to scrutinise spend on support costs to ensure we are spending effectively and services are efficient. The merger has resulted in only a handful of redundancies, with staff integrated or re-deployed within the merged organisation.

The impact of COVID-19 also played a part in increasing costs, in particular enabling all staff to work from home and making the office safe for those who work there.

Regulatory and compliance requirements continue to increase, and recruitment in the specialisms we require is challenging. These factors have put pressure on our ability to reduce costs. We allocate support costs across the charity's charitable and fundraising activities to reflect usage by activity on the basis of spend excluding research grant expenditure, as we believe this gives the fairest reflection of how resources have been utilised. Details are shown in note 7.



● Research	£4,988k	33%
● Raising Funds	£4,012k	26%
● Advice and Support	£3,768k	25%
● Improving Care	£2,520k	16%



● Research	£1,612k	15%
● Raising Funds	£2,985k	28%
● Advice and Support	£4,271k	39%
● Improving Care	£1,923k	18%

How we raise money

Asthma UK and British Lung Foundation relies exclusively on voluntary donations and grants from individuals, trusts, corporates and statutory bodies. The fundraising environment across all these sectors remains challenging due to the economic climate and the impact of COVID-19. We strive to meet best practice standards in our fundraising activity as defined by regulators and want our supporters to know that we are fundraising responsibly.

Total incoming resources for the year were £15.1 million (2019/20: £11.6 million). However, it should be noted that the prior year figure is impacted by the accounting for the merger as it represents six months of the BLF as a sole charity, and six months as a merged charity. The equivalent income raised across AUK, BLF, and the merged charity in the twelve months to 30 June 2020 is not disclosed in the accounts but is estimated to be £15.1m. Details of income by source are given in note 3.

Legacies received were £5.1 million, up £1.9 million on last year. Legacies continue to be a crucial revenue stream and we are extremely grateful to those who, by leaving bequests to the charity, enable the organisation to achieve its goals. The level of legacies notified to us but not certain at the end of June 2021 amounted to approximately £4.4 million. This is still a robust amount and gives reasonable assurance as to the continuation of this income stream in the coming year.

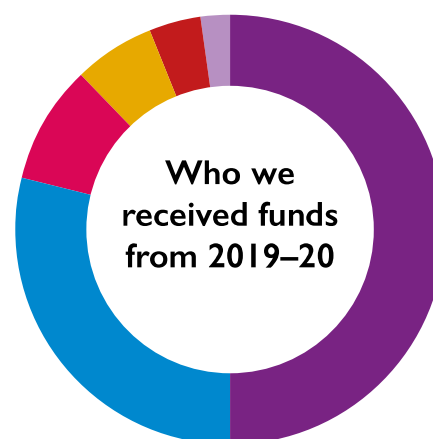
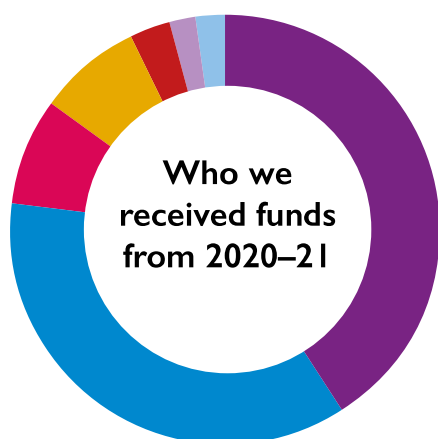
Donations from supporters through community activities and events raised £1.2 million, which is up £0.5 million on last year. These contributions come from a huge variety of activities undertaken by thousands of people throughout the year and represent significant achievement and effort by individuals on behalf of the charity. We are very grateful for their efforts.

Donations from individuals and corporates totalled £5.9 million (2019/20: £5.2million). Regular monthly giving remains important in enabling us to plan our work in the context of regular funding and we are grateful to the loyal supporters who give in this way. We are particularly grateful for gifts in memory of a loved one and hope those supporters found this to be a positive way of commemorating a life. We also ran a small number of fundraising appeals. In doing so, we are mindful of public concern as to how, and how frequently, the public are asked to donate to charitable causes. During the year, we received relatively few complaints about our fundraising methods, giving assurance that our judgements in this respect are reasonable. We are also grateful to our corporate supporters who continued to support us despite the financial uncertainties brought on by the pandemic.

We secured donations from trusts of £1.2 million in the year, £0.1 million higher than the prior year. Trusts continue to support our range of activity including our research programme, provision of health advice through a variety of channels and our work in general to support people with lung conditions. They also support investments in our infrastructure, and we are grateful for the support of the Fidelity Foundation who have provided funding to support our move to a single, modern CRM system, as well as the development of our new strategy.

Additionally, we have benefited from £555k of Gifts in Kind relating to the Google Grant programme to support our online marketing.

Unrealised gains on investments were £2.1 million (2019/20: £1.1 million loss). The timing of our year end meant that we closed the previous year in the trough brought about by the pandemic, with large losses seen across all investments. However, investments recovered strongly during this financial year and now exceed their pre-pandemic levels. This has helped to boost our reserves levels, despite the operating deficit recorded.



● Donations from Individuals and Corporates	£5,872k	40%
● Legacies	£5,146k	35%
● Trust Supporters	£1,197k	8%
● Community and Events	£1,164k	8%
● Trading income	£558k	4%
● Income from investments	£343k	2%
● Grants	£269k	2%

● Donations from Individuals and Corporates	£5,678k	50%
● Legacies	£3,251k	29%
● Trust Supporters	£1,073k	9%
● Community and Events	£722k	6%
● Trading income	£449k	4%
● Income from investments	£198k	2%
● Grants	£-	0%

Balance sheet

Total net assets at 30 June 2021 were £15.4 million, an increase of £1.9 million on last year. A planned operating deficit was offset by significant unrealised gains in investments.

Restricted funds have decreased from £7.6 million last year to £7.3 million this year. This is in part due to the restricted Glaxo chair fund. The balance on the restricted fund is in deficit but will be replenished with the income received from the investment fund.

During the year the Trustees agreed to create a new designated fund to set money aside for the development of our new strategy and brand, and to ensure adequate investment in the organisation around the launch. The existing designated fund for COVID research was depleted during the year, with grants awarded to support the COVID research effort.

Subsidiaries performance

Asthma UK and British Lung Foundation Partnership have three wholly owned subsidiaries: BLF Services Limited, Asthma Enterprises and BLF Limited, the latter being dormant.

BLF Services Limited is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity. All profits are transferred to the parent charity under the company gift aid scheme.

Asthma Enterprises Limited is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Up until 31 December 2019 Asthma Enterprises Limited was a 100% owned subsidiary of Asthma UK. On this date Asthma UK merged with the British Lung Foundation, forming Asthma UK and British Lung Foundation Partnership and Asthma Enterprises became a 100% owned subsidiary of the merged entity. The results and the year-end financial position of the two active subsidiaries are shown in note 4.

Financial position at the end of the year and outlook

Uncertainty, in particular in relation to future income during the pandemic, was a constant feature during the 2020–21 financial year and remains present as we move into 2021–22.

The Trustees set a budget for 2020–21 with a planned structural deficit of £0.5m on our core funds; these are our free unrestricted funds, and our asthma restricted fund, which work together to form the core funds upon which the organisation's financial stability depends. In addition, we planned to spend £1.3m of asthma reserves to ensure the continuity of the well-established asthma research programme. Excluding unrealised gains in investments and the continuity funding for asthma research, we achieved a very small surplus compared to the planned deficit. This was thanks to income outperforming expectations, and while some income streams did reduce compared with the equivalent raised in the 12 months to 30 June 2020, the reduction was not as great as feared.

As we move into 2021–22 the Trustees have set a budget which plans for a structural break-even position across the same core reserves of unrestricted and asthma restricted, excluding a similar commitment to use some of the asthma reserves to smooth out our asthma research programme spend. Whilst we currently have higher reserves than our target level, our reserves policy will be revisited following the launch of our new strategy, and as such the Trustees felt that it would be prudent to aim to keep core reserves at the current level.

Prudent assumptions have been made in setting the budget, reflecting challenges in fundraising and dependence on voluntary donations, as well as in expenditure given new digital activity utilising new resourcing models. The Trustees recognise the risks inherent in the financial plans but are confident there are sufficient mitigations for the budget to be achievable.

Fundraising against a backdrop of uncertainty in the economy, during a pandemic, is challenging. We will continue to increase the number of ways in which supporters can donate using digital channels efficiently and cost-effectively. During 2020–21 we saw the success of new virtual fundraising activities such as the "Our Everest" virtual event, which was also our first joint brand fundraising event, raising money for both Asthma UK and the British Lung Foundation, with supporters able to choose which to support. However, it remains unclear whether appetite for virtual events will wane as in-person events return.

In terms of charitable spend, ongoing uncertainty also impacts our ability to deliver planned activity and during the last year we had to adapt our model, for example delivering some activities virtually rather than in-person. We expect demand for our health advice and services to remain high as people with asthma and lung diseases navigate the changing pandemic landscape, and we plan to continue innovating with new digital ways to deliver services, including the rollout of our WhatsApp service to our full helpline; previously it had only been available for asthma queries, having been developed by Asthma UK before the merger.

Review of reserves

At the end of the year our total funds stood at £15.39m (2020: £13.55m), of which:

- £2.59m are unrestricted general funds (2020: £1.55m),
- £1.89m are in designated funds (2020: £1.36m), of which £0.89m relates to the fixed asset reserve,

- £4.09m are restricted to asthma (2020: £5.91m), being the fund created following the merger of Asthma UK and the British Lung Foundation, into which we also pay new donations received under the Asthma UK name. Direct expenditure on asthma is charged to this fund, which also contributes proportionately to the shared costs of the organisation. Together with unrestricted general funds, these represent the core funds of the charity,
- £3.18m relate to other restrictions (2020: £1.73m); and
- £3.64m (2020: £3m) are held as restricted endowment funds.

The Trustees recognise the need to hold sufficient free reserves to ensure the protection of our core activities in the event of income shortfall. This has become particularly relevant for all charities in light of the coronavirus pandemic and the impact this has had in the sector. Free reserves available for use by the charity are those that are readily available for application in the name of any or all of the charity's objectives. This excludes unrestricted reserves that are not readily available, such as those held as fixed assets.

The Trustees have set a minimum level of reserves, and also set an upper target which takes into account a greater degree of flexibility, through the provision of increased working capital. Our reserves policy follows the best-practice approach as set out by the Charity Commission guide CCI9.

The target level of free reserves will be calculated using the following steps:

1. A requirement to hold reserves to mitigate income risk.
2. A requirement to hold reserves to partially mitigate investment volatility, based on historic movements over three years (based on the performance benchmark data for the funds), adjusted for the proportion of total reserves held in investments at the last balance sheet date.
3. A discount to the unrestricted target to reflect the property held by the organisation on a near-freehold basis, based on an estimate of a portion of the asset that could easily be made liquid in an emergency.
4. Adjustments to reflect the proportion of shared costs, for example running costs or activity that benefits all lung conditions, which can be taken from the asthma restricted fund.
5. A small working capital requirement of one month of expenditure, adjusted as with step four, added to provide an upper limit to the target.

Following the merger, the Trustees reviewed both the methodology and the calculation of target reserves, and this calculation is re-performed annually when setting the next year's budget. Based on our 2021–22 budget, the Trustees recommended a target range of between £0.76m and £1.29m. The actual level of free reserves of £2.598m exceed this target; however, the Trustees believe that the policy will need to be reviewed again as the organisation sets its new strategy, and that given the current volatility, it is acceptable to hold excess free reserves.

Endowment and restricted funds

The organisation holds a number of restricted and endowment funds. Principal among these is the restricted fund for asthma.

When Asthma UK and the British Lung Foundation merged, the assets of Asthma UK were donated to the newly merged organisation and are held as restricted funds in line with the original objects of the charity Asthma UK. The charities SORP requires us to restrict any new donations received under the Asthma UK charity brand, as these are deemed to be restricted to asthma. Any expenditure which is directly for the benefit of people with asthma or is incurred in the process of raising these funds, is charged directly to this restricted fund. As part of the legal agreement for the merger, it was agreed that 45% of shared costs would be taken from the restricted fund for asthma. This figure was calculated as the average of various indicators to estimate a fair proportion of activity which could be attributed to the asthma fund. For example,

pre-merger estimates suggested that 45% of people with lung disease had asthma. The organisation's ongoing commitment to asthma holds true irrespective of the value of this fund.

Given the interaction between this fund and our unrestricted reserves, our Trustees have considered the need to set a minimum level and upper target level of reserves in this fund, and recommended a target range of between £3.59m and £4.02m. This target is calculated on a similar basis to the free reserves target, but also includes a provision to secure long-term funding for asthma-related research given the programme is well established. The Trustees intend to keep this policy under constant review alongside the free reserves policy. The policy regarding the management of the restricted fund for asthma will itself be reviewed once the organisation has set out its new strategy.

Other restricted funds are held in accordance with the donors' wishes, relating either to a specific lung condition, to a particular project, or in some cases, a geographic restriction. Similarly, endowment funds are held for the long-term benefit of people with lung disease and restricted to specific activities agreed with the donors.

The Glaxo Endowment Fund is currently in deficit but will be replenished with income received from the investment fund in which the endowment is held.

Designated funds

As at 30 June 2021, total designated funds stood at £1.89m (2020: £1.36m), an increase of £0.53m.

Last year, the Trustees agreed to set aside a portion of our reserves to support the research effort into COVID-19. A fund of £0.5m was set aside, consisting of £0.1m of free reserves and £0.4m of asthma restricted funds. The funding did not meet the criteria for a research grant commitment, and so a designated fund was created to hold the assets. Research grants were then awarded at the start of the 2020–21 financial year, clearing down this fund.

At the end of 2020–21, the Trustees resolved to create a new designated fund of £1m, taken equally from unrestricted and asthma restricted funds, set aside to support the development and implementation of our new strategy. This was in recognition of the ambition in the emerging strategy and the need to invest adequately to ensure the potential of the organisation is reached.

Additionally, the charity holds a designated fixed asset fund of £0.89m (2019: £0.86m), reflecting the net asset value of the Goswell Road property.

Research grant policy

Asthma UK and British Lung Foundation Partnership has agreements to fund research projects, senior research fellowships and research centres for periods of up to five years. Given the constructive obligation created on awarding these grants a provision is made in the accounts at that point for forward commitments (i.e. these are recognised as liabilities).

Our investment in research is governed by our Research Governance policy and this is reviewed by the Trustees annually. Each year there is a rigorous technical review process to ensure research undertaken on behalf of Asthma UK and British Lung Foundation Partnership meets the conditions under which it was granted, our code of ethics and other standards.

It is the charity's intention to meet the grants obligations unless there is an exceptional reason not to. The selection of research projects for funding is through an established peer-review system which includes lay reviewers, in accordance with the guidelines of the Association of Medical Research Charities. Experts in relevant fields of research are asked to give a commentary and score the grant applications according to their relevance to asthma, our research aims, the quality of the proposed methodology and its value for money.

Investments

The Finance and Audit Committee, which reports to the Board of Trustees, monitors the activities and performance of the investment managers on a regular basis.

The charity's aims in investing its funds continue to be to:

- Produce the best financial return within an acceptable level of risk.
- Maintain the capital value of our investments in real times over a 3–5-year cycle.
- Hold sufficient liquid funds to meet short-term funding requirements.

Investments are invested in a number of Funds and the Finance and Audit Committee monitors each Fund's performance annually and compares with industry benchmarks to ensure the Funds remain appropriate for the charity's investments. The Committee reviews the charity's investment policy annually and is committed to socially responsible investing. As part of our strategic review, we will also review our investment holdings to ensure they align with our charitable mission and new strategy.

Investment performance

The movement on investments is shown in note 12. Total unrealised gains in investments for the year were £2,141k. There were no realised gains. Last year, investments suffered significant losses in the immediate aftermath of the COVID pandemic. The Trustees' view was to stand firm as the market values should return once the pandemic has subsided. Market values now exceed the pre-pandemic levels.

Going concern

The financial statements are prepared on a going concern basis, and Trustees consider that the charity will remain a going concern for at least the next 12 months. The coronavirus pandemic has impacted the charity sector in many ways, with huge increases in demand coming at a time of decreased income, and the charity has observed a fairly typical pattern in that regard. However, the merger between Asthma UK and the British Lung Foundation has strengthened our ability to withstand shocks of this nature, principally because of the cost savings already achieved through the merger. Following the recovery of investment values and better-than-expected financial performance during the year, our free reserves remain in excess of the target set by the Trustees.

Our plans for 2021–22 include breaking even on core funds, excluding a £0.65m planned use of asthma reserves. Most expenditure is predictable in timing and amount, and there are sufficient reserves to meet our immediate obligations. Indeed, we hold core reserves in excess of our target levels. Additionally, the charity holds a property at Goswell Road on a long-term (973 years unexpired) lease, which could be sold if required in an emergency situation.

Whilst we do predict that income will be grow slightly in 2021–22, with budgeted total income of £15.8m also slightly above the amount raised in 2019–20 by the two separate charities, there remains uncertainty over when fundraised income will return to pre-pandemic levels. The charity's fundraising portfolio means that it was less exposed to the impact of the pandemic than some, and at the point of signing these accounts, indications show that our financial performance in 2021–22 is stable. Additionally, our combined size since merging improves our resilience and ability to withstand short-term volatility.

These factors taken together, lead the Board of Trustees to conclude that the charity is a going concern and will remain a going concern for at least the next 12 months.

Risk and uncertainties

The Board has ultimate responsibility for the management of risk and they have delegated the responsibility to the Finance and Audit Committee to oversee the charity's risk management strategy and process. The risk register is reviewed regularly by the Committee and key risks are highlighted on a risk heat map.

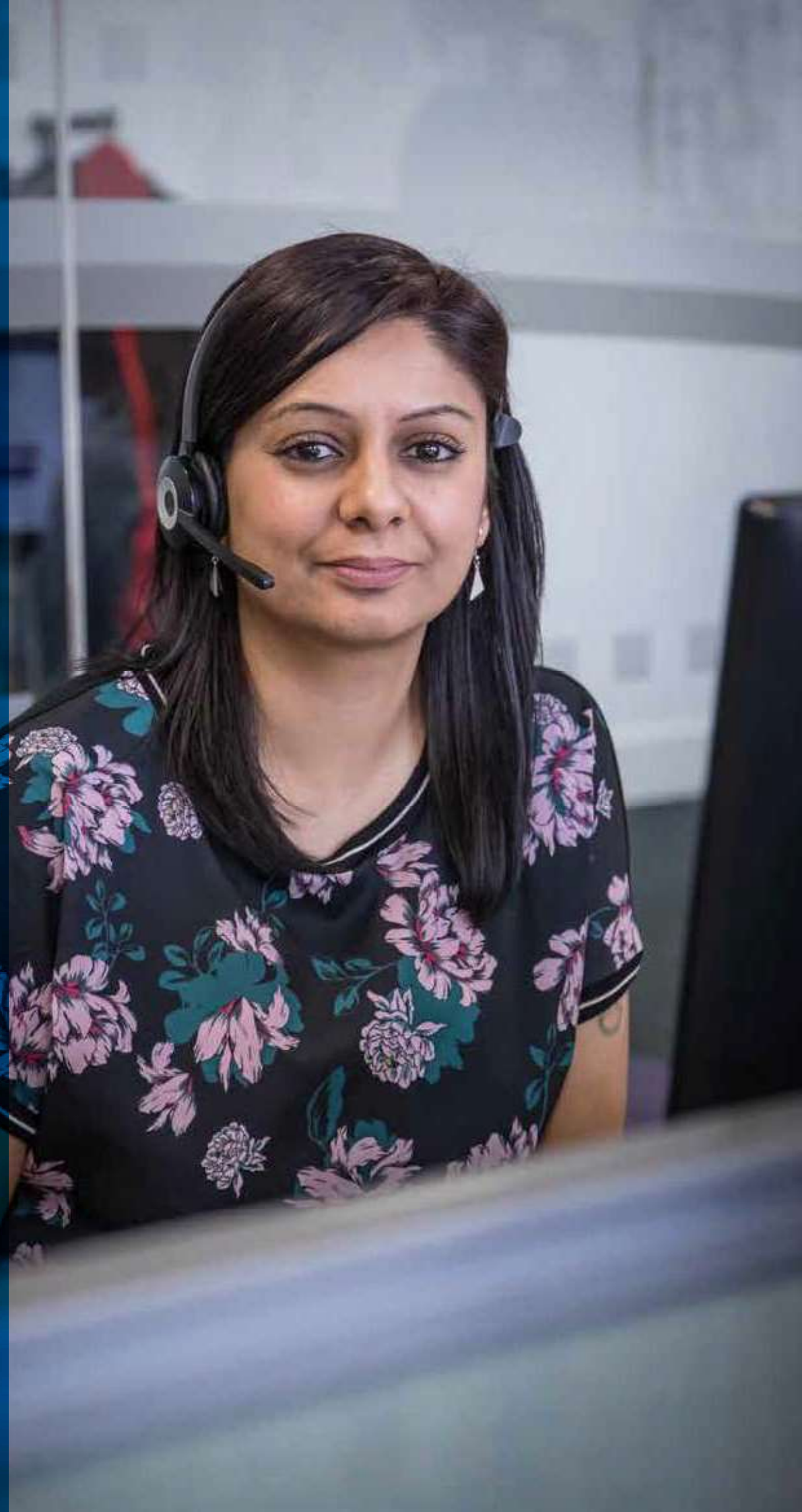
A formal risk management policy and framework has been adopted to ensure there is a shared understanding of risks and how they can be managed. The risk register is used to ensure identified risks have suitable mitigations in place and the risk appetite is understood, and to highlight any additional controls to reduce the risk further. It is reviewed by the Executive Team who discuss changes to the risk register at a quarterly meeting. Project risks are managed within the PM toolkit and escalated to the Executive Team of the Finance and Audit Committee as appropriate.

The key risks and uncertainty are set out in the table along with mitigation and future actions.

Risk	Mitigation	Future action
Following the successful merger, we now face complexity in the alignment on a new organisational brand and strategy. This may impact on income, loss of brand recognition, and lack of engagement with supporters and beneficiaries with a reduction in charitable impact.	<ul style="list-style-type: none"> • Professional experts working closely with the ET and Trustees to ensure an evidence-based decision is reached on future brand(s). • Key stakeholder, beneficiary, supporter, staff and Trustee engagement to ensure the decision on brand resonates with key audience. • Strategic away day with ET and Trustees to agree on approach. 	<ul style="list-style-type: none"> • New strategy and branding launch to be outlined with staff, beneficiaries, supporters, key stakeholders and trade press. • Legal input for changes to governing document. • Costs associated with re-branding to be monitored to ensure best value and use of charitable funds.
Continued uncertainty related to COVID-19 pandemic and the impact on income, workforce, cash flow and the loss of value in key assets results in difficulties in planning and budgeting.	<ul style="list-style-type: none"> • Horizon scanning. • Review of investments and reserves at F&A. • External advisors engaged to provide advice. • Alternative digital fundraising events and products. • Consolidated office space. • Staff feedback on future ways of working in the office. 	<ul style="list-style-type: none"> • Review investment managers and portfolio. • Consider long-term estates strategy. • Further investment in fundraising innovation. • New strategy considering long-term income generation.
The ability to effect change on behalf of beneficiaries is severely curtailed by complexity of external environment and focus on other policy priorities leading to poorer delivery of care, lack of progress on public health including clean air and worsening health outcomes for people with lung disease.	<ul style="list-style-type: none"> • Monitoring of key issues impacting people with lung diseases. • Stakeholder meetings with policy makers and politicians. • Coalition working. 	<ul style="list-style-type: none"> • Quarterly update of plans to reflect volatility of external environment. • New strategy considering most effective routes to achieve change.

<p>Less investment and reduced capacity in research and innovation reduces volume of research, weakens academic workforce/ institutions/collaborations and delays discovery and clinical trials, stalling new knowledge and innovation that could benefit people with lung disease.</p>	<ul style="list-style-type: none"> • Work with AMRC and other medical charities to amplify the message and raise awareness of lack of investment. • Invest in proven research and innovation funding influencing models. • Review funder strategies for co-funding angles. 	<ul style="list-style-type: none"> • Seek ways to increase our own research funding over the coming years. • Influence others through research calls to action, to leverage our own funds so that even greater sums are spent overall.
<p>Increased threat of sophisticated cybercrimes and the resulting impact on our systems, data, finances and facilities.</p>	<ul style="list-style-type: none"> • Annual penetration testing. • Mandatory staff training. • Tech roadmap. • Cyber insurance. • Multifactor authorisation. 	<ul style="list-style-type: none"> • Updating Business Continuity. • Plans to manage specific incident types. • Additional training for staff.
<p>A negative and focused public attack i.e. media/social media due to disagreement with our communications, activity or position negatively impacts our ability to support, engage, influence and fundraise and leads to a loss of trust with supporters and beneficiaries.</p>	<ul style="list-style-type: none"> • Updated communications approval process. • Integrated communications planning. • External comms crisis plan and incident management plan. • Media helpline. • Social media housekeeping rules. • Social media monitoring. 	<ul style="list-style-type: none"> • Continuous review of key messages and internal sign-off processes. • Training for key staff, including a planned simulation exercise.
<p>Failure to recruit and retain a strong and robust workforce impacts our ability to deliver our ambitions for our beneficiaries. This may include remuneration, poor learning and development opportunities and failure to embed an inclusive workplace culture.</p>	<ul style="list-style-type: none"> • Frequent and transparent employee communications. • Regular employee engagement surveys; the Staff Forum used for communication, consultation and feedback. • A positive and progressive offer to staff, with a focus on wellbeing. • Reporting of employee retention, absence and engagement. • Trustee appraisal policy. • Induction programme; job descriptions, objectives and L&D plans. • Clear people policies and practices uniformly applied. 	<ul style="list-style-type: none"> • Review of Reward policy and practice, recruitment processes and packs, performance management processes. • Development of new values, behaviours, and enablers for the organisation. • A review of our employee engagement tools and approaches. • A review of our overall approach to employee reward.
<p>Maintaining compliance with our legal and regulatory requirements.</p>	<ul style="list-style-type: none"> • Compulsory e-learning for new starters including UK GDPR, cyber-security, safeguarding, EDI and health and safety. • Internal information governance group to approve changes to data and cyber processes. 	<ul style="list-style-type: none"> • Introducing an outsourced internal audit provision to provide additional assurance to the Board and Executive Team.

Trustees' report



Our structure, governance and management

The Board of Trustees sets strategic direction, ensures the Charity achieves its objectives and is responsible for upholding its values.

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with FRS102 and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the Group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group 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.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Asthma UK and British Lung Foundation Partnership will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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. Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 30 June 2021 was 12 (2020: 12). The Trustees are members of the Charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

Auditors

Crowe LLP have been appointed as the charitable company's auditors during the year. The Trustees' Annual Report has been approved by the Trustees on 15 December 2021 and signed on their behalf by



Baroness Tessa Blackstone

Chair of Trustees

Board of Trustees

Baroness Tessa Blackstone – Chair

Baroness Blackstone is a Labour peer and has chaired the board of a wide range of organisations. She studied at the London School of Economics (LSE) where she went on to take her doctorate. Her academic career began as a lecturer in social administration at LSE. She was Master of Birkbeck College and, later, Vice Chancellor of the University of Greenwich. She was Minister of State in the Department for Education and Employment and then in the Department of Culture, Media and Sport. Tessa has published widely in academic journals and written a number of books mainly on social and educational policy.

Professor Ian Hall – Vice Chair

Ian joined as a Trustee in July 2017. He is currently Director of the NIHR-Nottingham Biomedical Research Centre and works clinically as a respiratory physician, running a specialist clinic for patients with severe asthma in Nottingham. Ian has over 25 years' experience in this clinical area and in 1993 was appointed as the inaugural National Asthma Campaign Senior Research Fellow. Ian has been heavily involved in research management and clinical academic training at a national level, as well as medical education. He chairs the UK Respiratory Research Collaboration. Ian has supported Asthma UK over many years, serving on the Asthma UK research panel, contributing to Asthma UK reports, and participating in workshops for a range of activities including EARIP.

Jim Bowes

Jim became a Trustee in March 2017 to help Asthma UK maximise the benefit of its use of digital technology. He is the founder of digital agency Manifesto. Jim has worked in digital for over 20 years helping people create products and services around the needs of users, working predominantly across the health, housing and charity sectors. He presents the podcast Alexa Stop!, which discusses the impact of technology on our lives. Jim is Chair of the Nominations and Remuneration Committee.

Emily Bushby

Emily is the interim chief executive officer and chief operating officer at Guarantco. Her previous roles have included leading the finance function of a medical related charity, mergers and acquisitions for a highly acquisitive FTSE 30 business, and investment management within the banking sector. She trained as a chartered accountant at PricewaterhouseCoopers in London and is an alumnus of Exeter University, where she gained a BSc in Psychology.

Caroline Cartellieri Karlsen

Caroline brings over 25 years' experience in e-commerce, digital strategy and marketing. Her previous roles include that of chief commercial officer of Ennismore, chief digital officer at Sun European Partners and director of digital transformation at glh Hotels. Before that she held the role of chief operating officer of MySpace International as well as senior positions at Expedia and Kingfisher. Prior to this she founded a pioneering e-commerce business in New York City. She started out her career as a consultant for the Boston Consulting Group and McKinsey & Co.

Professor Edwin Chilvers

Edwin Chilvers is professor of Medicine, and head of the National Heart and Lung Institute (NHLI), at Imperial College London. His research interests are in inflammatory cell biology, in particular the intracellular signals that regulate the activation and survival of neutrophils and eosinophils. This has translational relevance to a range of inflammatory lung diseases including chronic obstructive pulmonary disease (COPD), asthma and acute lung injury. He has a particular interest in the signalling mechanisms regulating NADPH oxidase function in neutrophils, and the control of neutrophil and eosinophil survival by hypoxia and inflammatory cytokines. His research has received continuous MRC and Wellcome Trust support for the past 25 years.

Dr Isabel DiVanna

Isabel is a director-level business development and marketing professional. She is currently the executive director, commercial and customer experience, at RenewableUK, the trade association for green energy. She has been a director of corporate partnerships and business development in London and in Cambridge, and she spent many years working on professional development, continuing training and executive education. She has experience working in the professional services (consulting, research and advisory) and not-for-profit sectors (education, charities, Royal Charter, local government, professional and membership bodies and trade associations), seeking to grow their portfolio and business through fundraising partnerships and commercial activities. She is a fellow of the Royal Society for the Arts, of the Chartered Management Institution and of the Institute for Leadership and Management. She is also a Trustee of Papworth Trust.

John Graham

After completing a chemistry degree at Oxford University, John trained as an accountant with Deloitte in Manchester. He worked in industry with BP, the Seiko Epson Group in the UK and eventually became finance director of Northamber plc, a FTSE 250 company. In 1996 he became finance director of NSPCC, staying with them for 11 years before moving as finance director to the Royal British Legion in 2008 until 2016. During his 20 years with the charity sector, John has been involved in a number of sector initiatives including advice on pensions and risk. For eight years he sat on the Charity Commission SORP committee helping to articulate the international accounting standards for the benefit of the charity sector. John is the Chair of the Finance and Audit Committee.

Katherine Morgan

Katherine is currently head of supply chain commercial development for Morrison's and prior to that was director of transformation at Fenwick. Katherine works with boards delivering multi-£m change programmes and enjoys using her customer and commercial focus to support the Trustee Board of Asthma UK and the British Lung Foundation.

Michael O'Connor

Mike has held CEO posts since 1989 with his last full-time role at StepChange Debt Charity, the UK's largest debt advice charity. He was CEO at Consumer Focus, the statutory consumer body, the Olympic Lottery Distributor and the Millennium Commission. His early career was in the Department of Health, where he was the private secretary to two ministers, and in HM Treasury and Cabinet Office. He was a Trustee of the Mental Health Foundation and Action on Smoking and Health. He is a member of the Advertising Advisory Committee at the Advertising Standards Authority and vice chair of the London Irish Centre Charity. He received a CBE for public service in 2000 and is a member of the Council of Fellows of the University of Keele.

Niren Patel

Niren joined as a Trustee in July 2018 and is currently a senior fund manager at Aviva Investors, responsible for managing fixed income portfolios. Prior to joining Aviva Investors, Niren was a director within the Solutions business at BlackRock. Niren began his career at KPMG LLP where he worked both in investment and pension consulting. Niren is a Fellow of the Institute and Faculty of Actuaries.

Professor Ian Sabroe

Ian joined as a Trustee in July 2018. He is a consultant in respiratory medicine in Sheffield and an asthma specialist. He undertook a PhD in asthma-related research at the National Heart and Lung Institute at the Royal Brompton Hospital and has continued research in this area as a consultant and professor at the University of Sheffield. Ian helps to coordinate care of people with asthma across the Yorkshire region. He has worked with the charity before as a member of the Asthma UK Research Committee and the charity has previously funded aspects of his group's research.

Committees and advisory groups

The Board is supported by two committees to which it delegates certain authorities. The committees operate under a terms of reference which is approved by the Board and reviewed periodically. There are also three advisory groups that provide specialist advice and support.

Finance and Audit Committee

The Finance and Audit Committee will normally meet five times a year and will act as the:

- Finance Committee
- Risk Committee
- Audit Committee
- Investment Committee
- Technology and Data Committee
- Estates Committee

There were additional meetings in 2020–21 which were used to discuss specific topics including investments and technology and information governance. The Committee consists of four members of the Board. The Board has the power to co-opt up to two non-Trustee members chosen for their relevant skills and experience. The Finance and Audit Committee currently has one co-opted member, Sean Tubbs, to advise on technology and data governance.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee meets at least twice a year and will act as the:

- Governance Committee
- Nomination Committee
- Remuneration and People Committee

Trustee appointment

The process for appointing Trustees is overseen by the Nominations and Remuneration Committee which consists of up to four members of the Board. A skills and experience audit of current Board members compared to those skills required to perform Board duties guides the process. Targeted advertising is used where necessary to attract candidates with specific skills, e.g. Trustees with expertise in researching and treating lung disease are recruited through contacts of the current Board of Trustees and professional networks. The Nominations and Remuneration Committee has responsibility for periodic review of the Articles, and the overall governance structure and operation in line with good practice and the latest regulations. The Board monitors its composition and diversity with the aim of reflecting the beneficiaries we serve. Although we have not set diversity targets, we encourage applications from the widest possible pool of candidates.

Research Review Panel

Members of the panel are invited independent experts who meet to review grant applications and make recommendations to Council and inform and review progress against the research strategy. In 2020/21 the following served on at least one of AUK-BLF's Research Review Panels:

Professor Edwin Chilvers (Chair, Imperial College London)

Dr Marion Macfarlane (MRC Toxicology Unit)

Dr Kevin Blyth (University of Glasgow)

Professor Stefan Marciniak (University of Cambridge)

Professor Peter Bradding (University of Leicester)

Dr Suzanne Miller (University of Nottingham)

Professor Karen Brown (University of Leicester)

Professor Daniel Murphy (University of Glasgow)

Professor James Chalmers (University of Dundee)

Dr Marko Nikolic (University College London)

Professor Judy Coulson (University of Liverpool)

Dr Manuela Plate (University College London)

Professor Donna Davies (University of Southampton)

Professor Najib Rahman (University of Oxford)

Dr Shona Fielding (University of Aberdeen)

Dr Elizabeth Sage (NHS Highland)

Dr Katie Finegan (University of Manchester)

Dr Elizabeth Sapey (University of Birmingham)

Professor Chris Griffiths (University of London)

Lizzi Stephens (Lay member)

Dr Nik Hirani (University of Edinburgh)

Dr Chris Scotton (University of Exeter)

Professor Gisli Jenkins (Imperial College London)

Dr Amanda Tatler (University of Nottingham)

Dr Rachel Jordan (University of Birmingham)

Phil Taverner (Lay member)

Helen Ashley Taylor (Lay member)

Dr David Leather (GlaxoSmithKline)

Professor Louise Wain (University of Leicester)

Professor Clare Lloyd (Imperial College London)

Attendance at Board and Committee July 2020–June 2021

Note: additional meetings were held during the year due to the twin complexities of the coronavirus pandemic and post-merger integration.

	Board of Trustees	Finance and Audit Committee	Nominations and Remuneration Committee
Tessa Blackstone	5/5	N/A	N/A
Ian Hall	5/5	N/A	N/A
John Graham	5/5	9/9	N/A
Isabel DiVanna	5/5	N/A	3/3
Emily Bushby	5/5	8/9	N/A
Katherine Morgan	4/5	9/9	N/A
Niren Patel	4/5	9/9	N/A
Edwin Chilvers	4/5	N/A	N/A
Ian Sabroe	4/4	N/A	N/A
Ralph Bernard*	2/2	N/A	2/2
Jim Bowes	5/5	N/A	3/3
Jean Francois Besson**	3/3	N/A	N/A
Caroline Cartellieri***	3/3	N/A	1/1
Karlsen			
Michael O'Connor***	3/3	N/A	1/1

*stepped down in December 2020

**stepped down in February 2021

***appointed in February 2021

Remuneration policy

The purpose of remuneration is to ensure the Charity is attractive to high-calibre potential employees, help retain its people and support workforce productivity. The ability to achieve positive outcomes for people with lung disease is hugely influenced by the commitment, skill and productivity of its staff. The Charity's remuneration package, which encompasses financial and nonfinancial elements, needs to be relevant to workers in the market sectors in which it competes for labour, and underpinned by the Charity's remuneration philosophy. The policies of Asthma UK and British Lung Foundation adhere to principles of fairness, support flexible working, cost-effective administration and transparency in reporting and ensure pay will be competitive so that the charitable objectives can be delivered.

Remuneration for the Chief Executive and Executive Team is set, maintained and reviewed by the Nominations and Remuneration Committee. Trustees receive reasonable expenses only.

The Nominations and Remuneration Committee reviews the Remuneration policy at least every two years. The Committee is mindful of advice regarding disclosure of senior staff remuneration in the Charity Governance Code. Senior managers comprise the Chief Executive, Chief Operating Officer, Director of Research and Innovation, Director of External Affairs, Director of Services and the Director of Fundraising and Engagement. The total annual remuneration for the senior management for 2020–21 was £707k (2019–20: £800k).

Employment policy

AUK-BLF strives to be a great place to work where people feel able to bring their true and best selves. We rely on our people to achieve our charitable purpose.

It is the Charity's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The Charity does not condone or tolerate any form of discrimination in its recruitment or employment practices. We actively seek to remove barriers which may disproportionately impact certain communities, for example through our policy of only asking for a degree if a specific one is needed for a role, and only then where it is clearly justifiable.

All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided with fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All the Charity's policies follow these principles.

During the year, regular communications to employees have been provided on matters affecting them, including factors affecting the Charity's progress, and they have been consulted on decisions affecting them.

A staff forum meets regularly to discuss any ongoing issues that impact on employees and working practices. We survey staff on a regular basis using a number of key indicators, as well as asking for suggestions of things that would make their experience of working at AUK-BLF even better.

Environmental policy

As a charity dedicated to caring for the nation's respiratory health, we have an obligation to ensure that our behaviour aligns with our charitable objectives. The Board approved the Environmental and Sustainability policy in October 2020, and are developing an action plan that will focus on the following areas:

- Pension and investments
- Partnerships
- Purchasing
- Waste
- Transportation

Related parties

The Trustees maintain a register of interest and a related party declaration is completed annually. Conflicts of interest are declared at the beginning of every Board and Committee meeting and any conflicts of interest are managed in accordance with the Articles of Association.

Asthma UK and British Lung Foundation Partnership is a member of the [Taskforce for Lung Health](#) and provides the secretariat for this group. We are members of the Association of Medical Research Charities and maintain close links to the British Thoracic Society, Primary Care Respiratory Society UK and other professional respiratory societies, and patient charities. We are a member of the Richmond Group and we are also a member of the UK Lung Cancer Coalition, the Global Lung Cancer Coalition, the Common Cancers Coalition, the Smoke Free Action Coalition, and the Healthy Air Campaign. In the charity sector we are a member of the National Council of Voluntary Organisations.

A number of Trustees and senior management sit on other respiratory health committees and programme boards and the Charity is involved in initiatives across the UK.

Thank you

We are extremely grateful for the continued support from our donors, supporters, campaigners, volunteers and those people who have left us a gift in their will. A special thank you must go to our Patron and our Presidents for their unstinting support.

Thanks to the following businesses, public bodies, trusts and foundations for their generous support during 2020–21.

Major donors

Victor Dahdaleh Foundation

Trusts and Statutory

Nesta, NHS England, National Lottery Community Fund – supported by the Department for Culture Media and Sport, Sport England, Peacock Charitable Trust, Anson Charitable Trust, King/Cullimore Charitable Trust, Robert Luff Foundation Limited, Garfield Weston Foundation, Felicity Wilde Charitable Trust, The Revere Charitable Trust, Pulmonary Fibrosis Trust, Gwyneth Forrester Trust, Greendale Foundation, The Janus Henderson Foundation, Clean Air Fund, Fidelity UK Foundation, Sarcoidosis UK

Corporate and community partnerships

GA Solicitors, PARI Medical, Lucas, Insmmed, Nutricia, Mitsubishi Electric Living Environmental Systems, Catalina, Irwin Mitchell, NiQuitin / Perrigo

Pharmaceutical

Verona Pharma, Chiesi, Novartis, Janssen, GlaxoSmithKline, AstraZeneca, Sanofi Pasteur, Seqirus, Johnson & Johnson, MSD, Pfizer, Takeda, Amgen, Medtronic.

We would not be able to continue our work without your support.

Independent auditor's report

Opinion

We have audited the financial statements of Asthma UK and the British Lung Foundation Partnership for the year ended 30 June 2021 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the Financial Group Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2021 and of the group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 36 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR) and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, agreeing income to contracts or other supporting evidence on a sample basis, testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission and the Scottish Charity Regulator (OSCR), and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

Date: 23rd December 2021

Financial statements



Group statement of financial activities

for the 12 months to 30 June 2021 (incorporating consolidated income and expenditure account)

	Notes	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	30-Jun 2021 TOTAL FUNDS £'000	30-Jun 2020 TOTAL FUNDS £'000
Income from:						
Donations and legacies		4,949	8,953	33	13,935	10,469
Charitable activities		37	232	-	269	-
Other trading activities		97	461	-	558	890
Investments		63	280	-	343	198
Total income before combination	2(b), 3	5,146	9,926	33	15,105	11,557
Fair value of net assets received on combining with Asthma UK					-	8,532
Total income		5,146	9,926	33	15,105	20,089
Expenditure on:						
Expenditure on raising donations and legacies		2,842	1,170	-	4,012	2,949
Investment management costs		19	92	-	111	36
Total expenditure on raising funds		2,861	1,262	-	4,123	2,985
Net incoming resources available for charitable application		2,285	8,664	33	10,982	17,104
Charitable activities:						
Research		676	4,312	-	4,988	1,612
Improving care		2,208	312	-	2,520	1,923
Advice and support		2,970	798	-	3,768	4,271
Total expenditure on charitable activities		5,854	5,422	-	11,276	7,806
Total expenditure	7a	8,715	6,684	-	15,399	10,791
Net income/(expenditure) before investment gains		(3,569)	3,242	33	(294)	9,297
Gains/(Losses) on investments	12	255	1,281	605	2,141	(1,069)
Net income/(expenditure)		(3,314)	4,523	638	1,847	8,230
Transfers between funds		4,886	(4,886)	-	-	-
Net movement in funds		1,572	(363)	638	1,847	8,230
Reconciliation of funds:						
Fund balances brought forward at 1 July 2020		2,913	7,639	2,998	13,550	5,320
Net movement in funds		1,572	(363)	638	1,847	8,230
Fund balances carried forward at 30 June 2021	17	4,485	7,276	3,636	15,397	13,550

Prior year split between unrestricted and restricted appears in Note 23.

There are no unrecognised gains or losses other than those disclosed above. All of the results derive from continuing activities in the period.

The accompanying notes are an integral part of this statement of group financial activities.

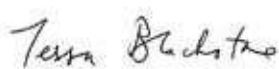
The surplus determined under the Companies Act 2006 is £1,713k (2019/20: £743k deficit).

Balance sheets

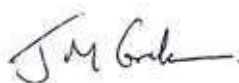
as at 30 June 2021

	Notes	CONSOLIDATED		CHARITY	
		30-Jun 2021 £'000	30-Jun 2020 £'000	30-Jun 2021 £'000	30-Jun 2020 £'000
Fixed assets					
Tangible assets	11	887	861	887	861
Investments	12	17,589	15,497	17,689	15,597
Total fixed assets		18,476	16,358	18,576	16,458
Current assets					
Debtors	13	2,070	1,611	2,085	1,629
Cash at bank and in hand		7,404	5,022	7,281	4,877
Total current assets		9,474	6,633	9,366	6,506
Creditors					
Amounts falling due within one year	14	9,151	6,777	9,133	6,750
Net current assets/(liabilities)		322	(144)	233	(244)
Total assets less current liabilities		18,799	16,214	18,809	16,214
Creditors falling due after more than one year	15, 16	3,402	2,664	3,402	2,664
Net assets		15,397	13,550	15,407	13,550
Represented by:					
Funds					
Endowment funds		3,636	2,998	3,636	2,998
Restricted funds		7,276	7,639	7,276	7,639
Designated funds-fixed assets		887	861	887	861
Designated funds for research grant		-	500	-	500
Designated funds – strategy, brand, and investment		1,000	-	1,000	-
Unrestricted funds		2,598	1,552	2,608	1,552
	17	15,397	13,550	15,407	13,550

The annual Trustees' report and accounts including notes 1 to 23 were approved and signed on their behalf by the Trustees on 15 December 2021.



Baroness Tessa Blackstone
Chair



John Graham
Chair of the Finance & Audit Committee

Group cash flow statement

for the 12 months ended 30 June 2021

	Notes	30-Jun 2021 £'000	30-Jun 2020 £'000
Cash flow from operating activities:			
Net cash provided by operating activities	(a)	2,187	(1,341)
Cash flow from investing activities:			
Dividends and interest from investments		343	198
Purchase of tangible fixed assets		(86)	-
Proceeds from sale of investments		1,584	1,022
Decrease/(Increase) of cash held in investment portfolio		678	(64)
Net cash provided by investing activities		195	152
Change in cash and cash equivalents in the reporting period		2,382	(1,189)
Cash and cash equivalents at the beginning of the reporting period		5,022	3,804
Cash and cash equivalents acquired on merger with Asthma UK		-	2,408
Cash and cash equivalents at the end of the reporting period	(b)	7,404	5,022
Notes:			
Net income for the reporting period		1,847	8,230
Adjustment for net assets received from Asthma UK upon the merger		-	(8,532)
Net income/(expenditure) for the reporting period excluding net assets received from Asthma UK		1,847	(302)
Adjustments for:			
Depreciation charges		60	35
(Gains)/Losses on investments		(2,141)	1,069
Investment management fees		111	36
Dividends and interest from investments		(343)	(198)
(Increase) in debtors		(459)	(960)
Increase in creditors falling due within one year		2,374	283
Increase/(Decrease) in creditors falling due in more than one year		738	(1,304)
(a) Net cash provided by/(used in) operating activities		2,187	(1,341)
(b) Analysis of cash and cash equivalents			
Cash in hand		7,404	5,021

Notes to the group financial statements

1. Charity information

Asthma UK and British Lung Foundation Partnership is a company limited by guarantee (registered number 01863614 England & Wales; 005851F Isle of Man), which is a public benefit entity and registered as a charity (charity number 326730 England & Wales; SC038414 Scotland and 1177 Isle of Man), and domiciled in the UK. The address of the registered office is 18 Mansell Street, London, E1 8AA.

On 1 January 2020, the British Lung Foundation merged with Asthma UK to form the Asthma UK and British Lung Foundation Partnership. To facilitate this merger of equals, the trustees of Asthma UK resolved to donate the net assets of the charity at fair value to the British Lung Foundation, which renamed itself to reflect the merged charity's focus. Asthma UK and British Lung Foundation Partnership took on responsibility for all assets and liabilities previously held by Asthma UK. Within the donated net assets were £1,069k of endowment funds. The remaining net assets were treated as restricted in line with the pre-merger objects of Asthma UK. A restricted fund for asthma was created, into which any general income raised under the Asthma UK identity is paid. The fund is used for direct charitable activity, the costs of raising funds restricted to asthma, and an equitable share of general charitable activity and charity running costs. Note 17 shows the detail of transfers between this fund and the unrestricted fund to reflect this use. The balance of these transactions is shown on the SoFA as an exceptional income line in the prior year comparatives to represent the net effect of the transfer of assets and liabilities. These were one-off transactions relating to the merger.

2. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

Basis of consolidation

The financial statements have been consolidated to include the results of the charity's subsidiaries using the equity line by line method. Transactions and balances between the charitable company and its subsidiaries have been eliminated through the consolidated financial statements. No separate statement of financial activities for the charity has been prepared for the Charity alone as permitted under Section 408 of the Companies Act 2006. Included in the group results are income of £14,906k (2020: £11,420k); expenditure of £15,334k (2020: £10,761k); investment gains of £2,141k (2020: losses of £1,069k) and a net increase in funds of £1,713k (2020: net increase £659k) resulting from activities of the Charity.

The particular accounting policies adopted by the Board of Directors have been applied consistently and are described below.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments. The trustees do not consider that there are any 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 reporting period.

Public benefit

The Trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing Asthma UK and British Lung Foundation Partnership's aims and objectives and in planning activities and setting policies and priorities for the year ahead.

(b) Income

All incoming resources are included in the statement of financial activities when the group is legally entitled to the income, the amount can be measured with reasonable accuracy and its receipt is probable. When income is received in advance of providing goods or services, it is deferred until the group becomes entitled to the income.

Legacies are recognised when all the three criteria below are met:

- a. Establish entitlement – entitlement to legacies is taken as the earlier of the final estate accounts being approved or cash received.
- b. Where receipt is probable – the charity is aware that probate has been granted.
- c. The amount is measurable – in practice this could come from final estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed.

Where 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, then the legacy is treated as a contingent asset and disclosed if material.

For both government grants and grants received from other sources, income is accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

Gifts in kind are recognised at reasonable estimates of their gross value to the charity or the amount actually realised. Gift in kind in Note 3 relates to free ad words provided by Google which has been predominantly used to promote health messaging around asthma management.

Investment income includes dividends and interest but excludes realised and unrealised investment gains and losses.

(c) Expenditure

Expenditure is classified by reference to specific activity categories, so that all direct costs relating to a specific activity have been aggregated. Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing Asthma UK and British Lung Foundation Partnership's investments. The costs of these activities also include expenditure of an indirect nature necessary to support them.

Expenditure on charitable activities are costs incurred to meet the objectives of Asthma UK and British Lung Foundation Partnership. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Liabilities in respect of research grants, senior research fellowships and professorial chairs are recognised at the point at which the grant is awarded which is when the future commitment represents a constructive obligation. Where a grant may run for more than one year the entire obligation is recognised at the time of the initial award, although disbursement of the funds may be made in subsequent accounting periods.

(d) Allocation of support costs

Support costs, which include general functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance are separately analysed and then allocated across the categories of charitable expenditure, governance costs and the costs of generating funds.

Governance costs relate to general running of the charity and include audit fees, legal advice for trustees, costs associated with constitutional and statutory requirements and costs associated with the strategic management of the charity.

The basis of allocation of support costs are reviewed regularly and are explained in detail in note 7(b). The basis of the cost allocation has been explained in the notes to the accounts.

(e) Pension costs

Asthma UK and British Lung Foundation Partnership operates two defined contribution pension schemes for its employees depending on historical contractual arrangements. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

(f) Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight-line basis at the following rates:

Long leasehold property	over 50 years
Leasehold improvements	over the duration of the lease
General office equipment and furniture	over 5 years
Fixtures, fitting and furniture specific to buildings	over the duration of the lease
Computer hardware and software	over 3 years

Tangible fixed assets are stated at cost less accumulated depreciation or any provision for impairment.

Items under £2,000 are not capitalised.

(g) Fund accounting

The company maintains four types of funds. General unrestricted funds are funds available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the designated and restricted funds are set out in the notes to the financial statements. At the year-end any fund deficits are maintained only when the Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in Note 17.

Endowed funds are funds to be held permanently, where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose although their constituent assets may change from time to time.

(h) Operating leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease or until the next review date if earlier.

(i) Taxation

The charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. The charity's subsidiaries (Asthma UK, Asthma Enterprises Limited, BLF Services Limited, and BLF Trading Limited) have not incurred a tax charge in the period due to its policy of paying its taxable profits to the charity under Gift Aid. Asthma UK and British Lung Foundation Partnership is registered for VAT and has partial exemption in respect of its trading activities.

(j) Judgements and estimates

In the application of the charity's accounting policies, which are described in note **I**, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

(k) Financial instruments

Financial assets and financial liabilities are recognised when Asthma UK and British Lung Foundation Partnership becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Asthma UK and British Lung Foundation Partnership 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Asthma UK and British Lung Foundation Partnership has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Investments, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertaking is held at cost less impairment.

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note **I3**. Financial liabilities comprise all creditors as set out in Notes **I4** and **I5**. At the balance sheet date the Group held financial assets at fair value through income or expenditure of £8,809k (2020: £5,925k) and Financial liabilities at amortised cost of £12,553k (2020: £9,441k).

3. Income

	Group UNRESTRICTED FUNDS £'000	Group RESTRICTED FUNDS £'000	Group ENDOWMENT FUNDS £'000	2021 TOTAL FUNDS £'000	2020 Group FUNDS £'000
Income from charitable activities:					
Income from donations and legacies					
Legacies	1,974	3,172	-	5,146	3,251
Donations from individuals and corporates	1,835	4,005	33	5,873	5,237
Donations from trusts	123	1,074	-	1,197	1,073
Donations from community and events fundraising	677	487	-	1,164	722
Gifts in kind	340	215	-	555	186
	4,949	8,953	33	13,935	10,469
Income from charitable activities					
Grants	-	202	-	202	-
Amounts received under the government's Coronavirus Job Retention Scheme	37	30	-	67	-
Income from trading activities					
Corporate income	-	87	-	87	441
Income from gaming	43	371	-	414	318
Sale of merchandise and health advice resources	54	3	-	57	131
	97	461	-	558	890
Income from investments					
Income from investment portfolio	61	280	-	341	195
Interest from cash deposits	2	-	-	2	3
	63	280	-	343	198
Total income	5,146	9,926	33	15,105	11,557

Further detail on government grants is provided in Note 22.

During 2019–20 the British Lung Foundation merged with Asthma UK to form the Asthma UK and British Lung Foundation Partnership. On the SOFA, the value of fair value of net assets received on combining with Asthma UK is shown. The figures above represent income from continuing operations.

4. Trading activities of subsidiaries

Asthma UK and British Lung Foundation Partnership has four trading subsidiaries; Asthma UK, Asthma Enterprises Limited, BLF Services Limited, and BLF Limited. Asthma UK is the shell company and charity retained after the merger with Asthma UK on 1 January 2020. BLF Limited is dormant.

Asthma UK

Asthma UK is a registered company limited by guarantee in England and Wales (Company number 2422401) and a charity registered with the Charity Commission for England and Wales (802364). It is a wholly owned subsidiary of the Asthma UK and British Lung Foundation Partnership. Asthma UK has been retained as an active company and shell charity following the merger as a precaution to ensure the charity is able to receive any and all donations granted to it. Since the date of the merger this has not been required and there were no transactions after 1 January 2020, save for the retention of £2 of share capital and a corresponding amount owed to the subsidiary from its parent.

The net assets of Asthma UK, as at 31 December 2019, were donated to the Asthma UK and British Lung Foundation Partnership to facilitate the merger. The transfer is shown as an exceptional income line in the prior year comparatives on the Statement of Financial Activities.

Asthma Enterprises Limited

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales (Company number 02355314) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2021 and the financial position at 30 June 2021 dates for Asthma Enterprises Limited, were:

Operating results:	12 months to 30 June 21 £'000	9 months to 30 September 20 £'000
Turnover	2	7
Cost of sales	-	-
Gross profit	2	7
Administrative expenses	(1)	2
Net profit for the year before Gift Aid donation to the charity	1	9
Gift Aid donation to the charity	(1)	(9)
Net profit for the year	-	-

The positive administrative expenses in 2020 relate to the reversal of provisions no longer required.

Balance sheet

Current assets	104	112
Creditors: amounts falling due within one year	(4)	(12)
Net assets	100	100
Share capital	100	100
Shareholders' funds	100	100

Up until 31 December 2019 Asthma Enterprises Limited was a wholly owned subsidiary of Asthma UK. On this date Asthma UK merged with the British Lung Foundation, forming Asthma UK and British Lung Foundation Partnership and Asthma Enterprises became a wholly owned subsidiary of the merged entity.

Any profits made by Asthma Enterprises Limited are paid by Gift Aid to the parent charity.

BLF Services Limited

BLF Services Limited, a subsidiary, is registered in England and Wales (Company number 02341027) and its share capital is wholly owned by the charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the charity.

Summarised financial results for the year ending 30 June 2021 and the financial position as at 30 June 2021 of BLF Services Limited, were:

Operating results:	12 months to 30 June 2021 £'000	12 months to 30 June 2020 £'000
Turnover	205	130
Cost of sales	(47)	(23)
Gross profit	158	107
Administrative expenses	(18)	(9)
Net profit for the year before Gift Aid donation to the charity	140	98
Gift Aid donation to the charity	(140)	(98)
Net profit for the year	-	-
Balance sheet		
Current assets	19	55
Creditors: amounts falling due within one year	(19)	(55)
Net assets	-	-
Share capital	-	-
Shareholders' funds	-	-

Any profits made by BLF Services Limited are paid by Gift Aid to the parent charity.

5. Research

	2021 £'000	2020 £'000
Awarded during the year	4,360	824
Grants written back	(266)	64
Total research grants charged in the year	4,094	760

A full list of research grants made during the year is detailed in Note 21.

6. Expenditure

	2021 £'000	2020 £'000
This is stated after charging:		
Depreciation	60	35
Auditor's remuneration	37	42
Operating lease – land and buildings	310	210
Operating lease – other	18	15

7a. Analysis of total resources expended

	GRANTS TO INSTITUTIONS	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	2021 TOTAL	2020 TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost of generating funds:					
Fundraising costs	-	2,432	1,580	4,012	2,949
Investment management fees	-	111	-	111	36
		2,543	1,580	4,123	2,985
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	4,360	381	247	4,988	1,612
Improving care	-	1,528	992	2,520	1,923
Advice and support	-	2,284	1,484	3,768	4,271
	4,360	4,193	2,723	11,276	7,806
Total	4,360	6,736	4,303	15,399	10,791

7b. Allocation of support costs

	FINANCE GOVERNANCE	EXECUTIVE	IT	HR	FACILITIES	2021 TOTAL	2020 TOTAL	
Cost of generating funds	245	37	223	669	177	229	1,580	697
Research	38	6	35	105	28	35	247	175
Improving care	154	23	140	420	111	144	992	491
Advice and support	230	35	210	628	166	215	1,484	1,053
	667	101	608	1,822	482	623	4,303	2,416

Support costs have been apportioned on the basis of the direct costs of each area of expenditure (excluding research grants awarded) as a proportion of total direct costs. This was reviewed against previous methodologies and it was determined that the result would be materially the same regardless of the methodology chosen. Governance costs incurred in 2021 were £131k (2020: £112k). Governance costs include staff time spent on this activity, internal and external audit fees, the charity's AGM and direct costs incurred by the board and its sub-committees which are allocated per distinct budgetary activity.

8. Employees

	2021 £'000	2020 £'000
Salaries	5,559	4,520
National Insurance contributions	573	428
Employer's pension contributions	257	238
Redundancy costs	47	27
Temporary staff	514	313
	6,950	5,526

	2021	2020
Number of staff (head count based on number of staff employed):		
Charitable services	84	73
Fundraising	43	38
Central services	25	22
Chief Executive Office	6	3
	158	136

Employer pension contributions have been allocated to the fund to which the salary of the respective staff member has been charged.

9. Remuneration of the charity's key management personnel

The key management personnel of the charity include the Trustees, Chief Executive, Chief Operating Officer, Director of Research & Innovation, Director of Fundraising & Engagement, Director of Services and Director of External Affairs.

	2021 £'000	2020 £'000
Total remuneration of key management personnel	707	800

The number of employees receiving remuneration of over £60,000 for the year was as follows:

£60,001–£70,000	3	1
£70,001–£80,000	2	-
£80,001–£90,000	3	1
£90,001–£100,000	2	1
£100,001–£110,000	1	-
£110,001–£120,000	-	1
£120,001–£130,000	-	-
£130,001–£140,000	-	-
£140,001–£150,000	-	1

The pension costs in respect of these employees included in the above, amounted to £48k.

The salary of the Chief Executive Officer was £75,833. The Chief Executive Officer was not employed for the whole of the financial year.

10. Trustees' expenses

None of the trustees received any remuneration during the year. Trustees' expenses represent virtual training costs totaling £48 (2019/20: £339), incurred by one trustee (2019/20: two trustees).

II. Fixed assets

	CONSOLIDATED				CHARITY			
	LONG LEASEHOLD PROPERTY	OFFICE FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	TOTAL	LONG LEASEHOLD PROPERTY	OFFICE FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 July 2020	1,316	25	30	1,371	1,316	25	30	1,371
Additions	-	-	86	86	-	-	86	86
Disposals	-	-	-	-	-	-	-	-
At 30 June 2021	1,316	25	116	1,457	1,316	25	116	1,457
Depreciation								
At 1 July 2020	455	25	30	510	455	25	30	510
Charge for the period	34	-	26	60	34	-	26	60
Disposals	-	-	-	-	-	-	-	-
At 30 June 2021	489	25	56	570	489	25	56	570
Net book value								
At 30 June 2021	827	-	60	887	827	-	60	887
At 30 June 2020	861	-	-	861	861	-	-	861

Capital commitments contracted but not provided for in the financial statements comprise £418,000 for the development of a new Customer Relationship Manager system.

12. Investments: consolidated

	2021	2020
	TOTAL	TOTAL
	INVESTMENTS	INVESTMENTS
	£'000	£'000
Market value as at 1 July 2020	15,497	5,599
Investments acquired on merger with Asthma UK	-	10,957
Acquisitions	2,324	1,004
Sales proceeds	(1,584)	(1,022)
Investment management fees	(111)	(36)
Movement in cash deposits	(678)	64
Investment gain/(loss)	2,141	(1,069)
Market value as at 30 June 2021	17,589	15,497
Investments: Charity only	2021	2020
	TOTAL	TOTAL
	£'000	£'000
UK common investment funds	16,605	14,330
Cash	984	1,167
	17,589	15,497
Historical cost as at 30 June 2021	12,796	12,895

The charity has four wholly owned subsidiaries; Asthma Enterprises Limited, BLF Services Limited, Asthma UK and BLF Limited. The first two subsidiaries support the charity by carrying out ancillary trading activities, Asthma UK has had no activity during the year and the latter is dormant. The results of the two active trading subsidiaries are set out in Note 4.

13. Debtors

	CONSOLIDATED		CHARITY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	88	62	88	39
Amounts due from BLF Services Limited	-	-	10	32
Income tax recoverable – Gift Aid	239	100	239	100
Other debtors	109	76	110	76
Prepayments	664	708	664	708
Accrued income	970	665	974	674
	2,070	1,611	2,085	1,629

At 30 June 2021, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £4.2 million (2019/20: £3.5 million), which had not been accrued.

14. Creditors' amounts falling due within one year

	CONSOLIDATED		CHARITY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	995	513	995	513
Tax & Social Security	157	103	157	101
Research grants accrual	5,665	5,263	5,665	5,263
Other creditors	402	117	403	94
Other accruals	1,537	537	1,532	535
Deferred income	121	6	107	6
Provisions	274	238	274	238
	9,151	6,777	9,133	6,750

Research grants represent the value of grants made up to the balance sheet date that are payable within one year.

Deferred income comprises £70k of lottery income for subscriptions collected where the draw has not yet taken place, and £38k of sponsorship income from fundraising events, such as marathons, where the event has not yet taken place.

Provisions comprise of £144k for the Breathe Easy transition project (2020: £144k) and provision for property dilapidations £129k (2020: £42k).

15. Creditors' amounts falling due after one year

	CONSOLIDATED		CHARITY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Research grants	3,314	2,546	3,314	2,546
Other creditors	88	118	88	118
	3,402	2,664	3,402	2,664

16. Grants

	2021 TOTAL £'000	2020 TOTAL £'000
Balance as at 1 July 2020	7,809	4,778
Grant commitments taken on from Asthma UK on merger	-	4,526
Grants awarded during the year	4,360	824
Grants written back	(266)	(64)
Payments during the year	(2,924)	(2,255)
Balance as at 30 June 2021	8,979	7,809
Research commitments		
Awards falling due within one year	5,665	5,263
Awards falling due after more than one year	3,314	2,546
	8,979	7,809

17. Statement of Funds

	NOTES	1 JULY 2020 FUND BALANCE B/F £'000	INCOME INCLUDING INVESTMENT GAINS £'000	EXPENDITURE INCLUDING INVESTMENT LOSSES £'000	REALLOCATION BETWEEN FUNDS £'000	30 JUNE 2021 FUND BALANCE C/F £'000
Endowment funds						
Wells		84	29	-	-	113
Evetts	(a)	767	299	-	-	1,066
Mitchell		146	51	-	-	197
Glaxo Endowment fund	(b)	2,001	259	-	-	2,260
Total endowment		2,998	638	-	-	3,636
Restricted funds						
GSK-BLF Chair	(b)	(475)	67	(15)	-	(423)
Mesothelioma research	(c)	922	915	(1,407)	-	430
Victor Dahdelah charitable fund	(d)	-	1,114	(466)	-	648
Asthma UK Centre for Applied Research		-	158	-	-	158
IPF Networks of Excellence		115	-	-	-	115
Other research funds	(e)	270	689	(335)	-	624
Taskforce for Lung Health		135	367	(227)	(60)	215
Garfield Weston Long Covid fund		-	150	(4)	(95)	51
NHS England Long-Covid fund		-	150	(9)	-	141
Fidelity Foundation infrastructure funds	(f)	-	300	-	-	300
Phosp Covid fund		-	51	-	-	51
Breathe Easy funds		58	52	(67)	-	43
Other restricted funds	(g)	707	752	(617)	(14)	828
		1,732	4,765	(3,147)	(169)	3,181
Restricted to Asthma	(h)	5,907	6,442	(3,537)	(4,717)	4,095
Total restricted		7,639	11,207	(6,684)	(4,886)	7,276
Designated funds						
Fixed assets	(i)	861	-	26	-	887
Research fund – COVID-19	(j)	500	-	(500)	-	-
Strategy, brand, and investment fund	(k)	-	-	-	1,000	1,000
Total designated		1,361	-	(474)	1,000	1,887
General fund						
Unrestricted		1,552	5,401	(8,241)	3,886	2,598
Total general funds		1,552	5,401	(8,241)	3,886	2,598
Total unrestricted		2,913	5,401	(8,715)	4,886	4,485
Total funds		13,550	17,246	(15,399)	-	15,397

17. Statement of Funds (continued)

- (a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.
- (b) The Glaxo Endowment Fund and the restricted Glaxo Chair fund relate to a permanent endowment, the income from which is used to fund a research Chair post. The balance on the restricted fund is currently in deficit but will be replenished with the income received from the investment fund in which the endowment is held. Going forward, the trustees plan to implement a policy of total return which will guarantee a minimum of £80k income will be paid into the restricted fund per annum.
- (c) Several donors, including an insurance company, have restricted their donations to fund various research projects into mesothelioma.
- (d) Funding from the Victor Dahdaleh Charitable Foundation is used to fund research into Mesothelioma and has been used to launch the mesothelioma research network.
- (e) Research projects funds are used to meet the direct costs of the Charity's medical research projects.
- (f) The Fidelity Foundation has provided funding towards the building of a new Customer Relationship Manager system (£270,000) and to fund various strategic projects (£30,000) which will be completed during 2022.
- (g) Other restricted funds consist largely of project-related activity funds, or condition-specific funds which may be spent relating only to a condition or set of conditions within the portfolio of conditions the charity supports.
- (h) The restricted fund for asthma was created upon the merger of Asthma UK and the British Lung Foundation, consisting of the net assets of Asthma UK as at 31 December 2019. Income raised under the Asthma UK brand is deemed restricted to asthma and is added to this fund. Direct expenditure and the costs of raising money restricted to asthma are charged directly to the fund. Under the legal agreement for the merger, it was agreed that 45% of all indirect costs incurred for the benefit of all lung conditions would be transferred into unrestricted funds. These are principally the general running costs of the organisation, and any charitable spend which benefits all lung conditions including asthma.
- (i) The fixed asset fund relates to the charity's office in Goswell Road, London. The property is held on a long-term (974 year unexpired) lease.
- (j) In 2019/20, a new designated fund was created to contribute to the research effort for COVID-19, with a total value of £500,000 with £400,000 taken from the fund for asthma, and £100,000 taken from general unrestricted funds. During the 2020/21 financial year, this fund was used to award research grants.
- (k) In 2020/21, a new designated fund was created to fund strategic projects including the development of a new brand and the building of a new Customer Relationship Management system. These projects are expected to be completed in 2022.

	Group DESIGNATED FUNDS £'000	Group UNRESTRICTED FUNDS £'000	Group RESTRICTED FUNDS £'000	Group ENDOWMENT FUNDS £'000	2020 TOTAL FUNDS £'000
Fund balances as at 30 June 2020 are represented by:					
Tangible fixed assets	887	-	-	-	887
Investments	1,000	3,073	9,881	3,636	17,590
Current assets	-	3,099	6,374	-	9,473
Current liabilities	-	(3,486)	(5,665)	-	(9,151)
Non-current liabilities	-	(88)	(3,314)	-	(3,402)
Total funds	1,887	2,598	7,276	3,636	15,397

18. Taxation

Asthma UK and British Lung Foundation Partnership is a charity within the meaning of Part I of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 Schedule 6 to the Finance Act 2010. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

19. Lease commitments

At 30 June 2021 Asthma UK and British Lung Foundation Partnership had annual commitments under non cancellable operating leases as set out below:

	2021	2021	2020	2020
	LAND AND BUILDINGS	Other	LAND AND BUILDINGS	Other
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	306	6	398	10
In the second to fifth years inclusive	354	7	440	-
Over five years	-	-	-	-
	660	13	838	10

20. Related party transactions

The Trustees in office during the year are listed on page 38.

Asthma UK and British Lung Foundation Partnership is a registered charity and company limited by guarantee and does not have share capital. The trustees have no financial interest in the charity's results or assets and received no remuneration for acting in that capacity.

During the financial year, the charity charged BLF Services Ltd £8k (2019/20: £8k) for provision of staff and £55k (2019/20: £25k) for expenses incurred on behalf of the subsidiary. Additionally, the charity collected £104k (2019/20: £49k) of income on behalf of BLF Services Ltd.

At 30th June 2021, BLF Services Ltd owed the charity £8k (2019/20: £32k).

During the financial year, the charity charged Asthma Enterprises Ltd £1k (2019/20: £1k) for expenses incurred on behalf of the subsidiary.

At 30th June 2021, Asthma Enterprises Ltd owed the charity £2k (2019/20: £0.4k).

There are no other disclosable related party transactions other than those disclosed in Note 10.

21. Grants awarded during the year

During the year the Trustees awarded the following grants.

Grant amount £000's	Awarded to	Grant duration	Grant description
250	Prof Richard Body	1 year	COVID-19 National Diagnostics Research and Evaluation Platform (CONDOR)
98	A Scott, University of Birmingham (Masonic PhD Student)	3 years	Evaluating the impact of e-cigarettes on the innate immune response in chronic obstructive pulmonary disease
250	Dr Ben Goldacre	1.5 years	Urgent research and surveillance on COVID-19 using the new OpenSAFELY secure platform across 55 million patients' full linked primary care records.
40	John Blaikley, Uni of Manchester (2020 Full Pulmo)	3 years	The effect of circadian disruption/sleep on IPF incidence and prognosis
120	Prof Ling Ho, University of Oxford	2.5 years	Defining the immune drivers of fibrotic pulmonary sarcoidosis
125	Dr R Kurukulaaratchy, University of Southampton	3 years	Circulating miRNAs as a diagnostic test for asthma and to identify asthma severity risk
140	Innovate UK, Dr Clare Murray	3 years	Novel diagnostic approaches to asthma in children – a feasibility study
141	Innovate UK, Dr Thomas Brown	2 years	Diagnosing and phenotyping asthma using the Inflammacheck™ Breath-Print – The DETECT Study.
532	Dr Robert Rintoul, Papworth Hospital	5 years	MesoBank and Research Fellows/post docs
135	A Byrne, Imperial College London	3 years	Itaconate as a novel therapeutic strategy for IPF
108	S Marciniak, University Cambridge	1 year	Harnessing single cell RNA sequencing technology to improve early diagnosis and prognostication
305	D Murphy, University of Glasgow	2 years	Differential Expression of Bystander Transcriptomes for Mesothelioma Diagnosis: DEBIT-Meso
40	D Fennell, University of Leicester	1 year	Engaging Clonal Neoantigen-Specific T-Cell reactivity in Mesothelioma for Personalized Immunotherapy
40	A Goodwin, University of Nottingham	3 years	The Role of Gαq/11 in Controlling the Extracellular Matrix and Cellular Crosstalk in Pulmonary Fibrosis
	Prof Sejal Saglani	2 years	Remote monitoring to predict and prevent asthma attacks in preschool children
578	Dr Gerrard Rafferty	2 years	The use of Symmetric Projection Attractor Reconstruction (SPAR) as a novel assessment tool in asthma
	Prof Rafael Calvo	2 years	Improving asthma care through personalised risk assessment and support from a conversational agent
	Prof Dean Fennell	4 years	A Randomised Phase II/III trial of maintenance Niraparib versus active symptom control in patients with chemosensitive Malignant Mesothelioma Study acronym: NERO (Niraparib Efficacy in unresectable Mesothelioma)
900	Prof Anne Thomas	1 year	Core Funding Support for: Mesothelioma Stratified Therapy (MiST): A stratified multi-arm phase IIa clinical trial to enable accelerated evaluation of targeted therapies for relapsed malignant mesothelioma.
	Dr Luke Wylie	4 years	The mutational landscape of non-malignant pleura following asbestos exposure
	Dr Lucy Jackson-Jones	1.5 years	Understanding the local immune response in malignant pleural mesothelioma
	Dr Ingrid Wolfe	2.5 years	Technology Enhanced Integrated asthma care. TEAM-care
500	Dr Elizabeth Crawford	2 years	Investigation of a digital health solution providing real-time inhaler technique guidance.
58	Other		
4,360	Total grants awarded		

22. Grants received

In accordance with agreements entered into with grantors, the charity acknowledges the receipt of the following grants included within the total in the statement of financial activities.

Funder	Incoming resources	Resources used	Purpose of funding
	2021	2021	
	£ '000	£ '000	
NHS England	150	7	Product development to support people affected by Long COVID, funded by NHS England
Sport England	1	1	For Active Steps, supporting people with lung conditions to increase physical activity
University of Leicester	51	-	
	202	8	

The charity also acknowledges the receipt of the following gifts received and disclosed in Note 3a: Income from donations and legacies.

Funder	Incoming resources	Purpose of funding
	2021	
	£ '000	
Nesta	40	Delivery of Integrated Breathe Easy peer support groups
National Lottery Community Fund, supported by the Department for Culture Media and Sport	100	Support for our helplines
Garfield Weston Foundation	150	Product development to support people affected by Long COVID
Janus Henderson Foundation	19	Research into Idiopathic Pulmonary Fibrosis
Clean Air Fund	41	Developing our regional Clean Air Campaign Network
Fidelity UK Foundation	300	Strategy development and CRM transformation
Pulmonary Fibrosis Trust	20	Medical research into Pulmonary Fibrosis
SILA The Sarcoidosis Charity	60	Medical research into Sarcoidosis

23. SOFA split for prior year (2020) between unrestricted, restricted and endowment

	Notes	Group UNRESTRICTED FUNDS £'000	Group RESTRICTED FUNDS £'000	Group ENDOWMENT FUNDS £'000	2020 TOTAL FUNDS £'000
Income from:					
Donations and legacies	2(b), 3	5,078	4,679	30	9,787
Charitable activities		-	-	-	-
Other trading activities		152	1,420	-	1,572
Investments		90	108	-	198
Total income before combination		5,320	6,207	30	11,557
Fair value of net assets received on combining with Asthma UK	3(b)	-	7,463	1,069	8,532
Total income		5,320	13,670	1,099	20,089
Expenditure on:					
Expenditure on raising donations and legacies		2,985	-	-	2,985
Investment management costs		-	-	-	-
Total expenditure on raising funds		2,985	-	-	2,985
Net incoming resources available for charitable application		2,335	13,670	1,099	17,104
Charitable activities:					
Research		761	851	-	1,612
Improving care		1,551	372	-	1,923
Advice and support		3,662	608	-	4,270
Total expenditure on charitable activities		5,975	1,831	-	7,805
Total Expenditure	7a	8,960	1,831	-	10,790
Net income/(expenditure) before investment gains		(3,639)	11,839	1,099	9,299
Net gains on investments	12	(710)	16	(375)	(1,069)
Net income/(expenditure)		(4,349)	11,855	724	8,230
Transfers between funds		4,272	(4,272)		-
Net movement in funds		(77)	7,583	724	8,230
Reconciliation of funds:					
Fund balances brought forward at 1 July 2019		2,990	56	2,274	5,320
Fund balances carried forward at 30 June 2020	17	2,913	7,639	2,998	13,550

23. Statement of funds for prior year (continued)

	Restated 1 October 2019 Fund Balance B/F	Acquired on 31 December 2019 on merger with Asthma UK	Income including investment gains	Expenditure including investment losses	Reallocation between funds	Restated 30 June 2020 Fund Balance C/F**
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds						
Wells	-	93	-	(9)	-	84
Evetts	-	814	30	(78)	-	766
Mitchell	-	162	-	(16)	-	146
Glaxo Endowment fund	2,274	-	-	-	-	2,002
Total endowment	2,274	1,069	30	103	-	2,998
Restricted Funds						
Research						
Peggy Wells Memorial	-	-	1	(1)	-	-
Beryl Evetts	-	-	11	(11)	-	-
Margaret Mitchell Memorial	-	-	2	(2)	-	-
Research into Asthma	-	15	59	(59)	-	15
Burrow Hill Training Fund	-	-	-	-	-	-
GSK-BLF Chair	(557)	-	92	(282)	-	(475)
Mesothelioma research	52	-	908	38	-	998
Mesothelioma Research – Victor Dahdaleh Charitable Foundation	-	-	660	(660)	-	-
Mick Knighton Mesothelioma Research Fund	69	-	26	(95)	-	-
Research funds	61	-	412	(114)	-	359
Tuberculosis Fund	8	-	-	-	-	8
	(367)	15	2,171	(1,186)	-	905

...continued

	Restated 1 October 2019 Fund Balance B/F	Acquired on 31 December 2019 on merger with Asthma UK	Income including investment gains	Expenditure including investment losses	Reallocation between funds	Restated 30 June 2020 Fund Balance C/F**
	£'000	£'000	£'000	£'000	£'000	£'000
Other						
Adviceline including the Sarah Leonard & Polly Cambell Funds	-	59	14	(14)	-	59
Whatsapp for Young adults	-	42	-	(10)	-	32
BUPA Helpline – COVID 19	-	-	31	-	-	31
Sport England – children with asthma	-	2	10	(2)	-	10
Dept of Health Asthma Attack Reduction Programme	-	4	-	-	-	4
RF European funding: myAirCoach	-	16	-	-	-	16
Activities For All	30	-	-	-	-	30
Clean Air for Children Monitoring Project	-	-	20	(20)	-	-
Breathe Easy Funds	53	-	5	-	-	58
Breathing Green Air – Roche	16	-	-	-	-	16
Clean Air Champions	-	-	45	(41)	-	4
Clean Air Parents Network	1	-	-	-	-	1
Covid Response	-	-	70	-	-	70
East Midlands Respiratory Programme	2	-	-	-	-	2
Helping You Help Yourself	4	-	98	(101)	-	1
Helpline – IPF nurse advisor	45	-	-	(19)	-	26
NESTA	-	-	182	(128)	-	54
Other	66	-	243	(79)	-	230
Singing for Lung health	10	-	52	(39)	-	23
Sport England – Active Steps	11	-	75	(73)	-	13
Taskforce for Lung Health	174	-	337	(375)	-	136
Wales Rest Bay Fund	11	-	-	-	-	11
	423	123	1,182	(901)	-	827
Restricted to Asthma	-	7,325	2,854	-	(4,272)	5,907
Total restricted	56	7,464	6,207	(2,087)	(4,272)	7,639
Designated Funds						
Fixed assets	896	-	-	(35)	-	861
Investment fund	1,000	-	-	(358)	(642)	-
Research fund – COVID-19	-	-	-	-	500	500
Total designated	1,896	-	-	(393)	(142)	1,361
General fund						
Unrestricted	1,094	-	5,320	(9,276)	4,414	1,552
Total General Funds	1,094	-	5,320	(9,276)	4,414	1,552
Total unrestricted	2,990	-	5,320	9,670	4,272	2,913
Total Funds	5,320	8,533	11,557	11,860	-	13,550

24. Post balance sheet events

There are no post balance sheet events.

Company information

Company number 01863614 (England and Wales)

005851F (Isle of Man)

Charity number 326730 (England and Wales)

SC038415 (Scotland)

1177 (Isle of Man)

Presidents

Professor Sir Michael Marmot (British Lung Foundation)
The RT Hon Sir John Major, KG, CH (Asthma UK)

Patron

HRH The Duchess of Gloucester, GCVO (Asthma UK)

Trustees

Baroness Tessa Blackstone – Chair
Professor Ian Hall – Vice Chair
John Graham – Chair of the Finance & Audit Committee
Jim Bowes – Chair of the Nominations & Remuneration Committee
Emily Bushby
Ralph Bernard CBE (until December 2020)
Dr Isabel DiVanna
Professor Edwin Chilvers
Niren Patel
Katherine Morgan
Professor Ian Sabroe
Jean Francois Bessiron (until February 2021)
Caroline Cartellieri Karlsen (from February 2021)
Michael O'Connor (from February 2021)

Key senior management

Sarah Woolnough – Chief Executive (from December 2020)
Kay Boycott – Chief Executive (until November 2020)
Ben Clarkson – Chief Operating Officer
Dr Alison Cook – Director of External Affairs
James Culling – Director of Fundraising and Engagement
Mike McKeivitt – Director of Services
Dr Samantha Walker – Director of Research and Innovation

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London WC1H 9JA

HSBC plc
Onslow Square Branch
1 Sydney Place
London SW7 3NW

Bank of Scotland
Pentland House
8 Lochside Avenue
Edinburgh EH12 9DJ

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors

Bates Wells LLP
10 Queen Street Place
London EC4R 1BE

Investment managers

Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Cazenove Capital
1, London Wall Place
London EC2Y 5AU

Property advisors

Cluttons LLP
Portman House
Portman Street
London W1H 6DU

Registered office address

18 Mansell Street
London E1 8AA
www.asthma.org.uk
www.blf.org.uk



We're working to change the lives of everyone affected by asthma, bronchiectasis, COPD, ILD, mesothelioma, pulmonary fibrosis and all other lung conditions.

Our support helps people who struggle to breathe manage their lung condition and live well.

Our world-leading research finds new ways to prevent, treat and cure lung disease.

Our campaigns help make vital, lasting change.

Asthma UK

info@asthma.org.uk

asthma.org.uk

British Lung Foundation

enquiries@blf.org.uk

blf.org.uk