



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.

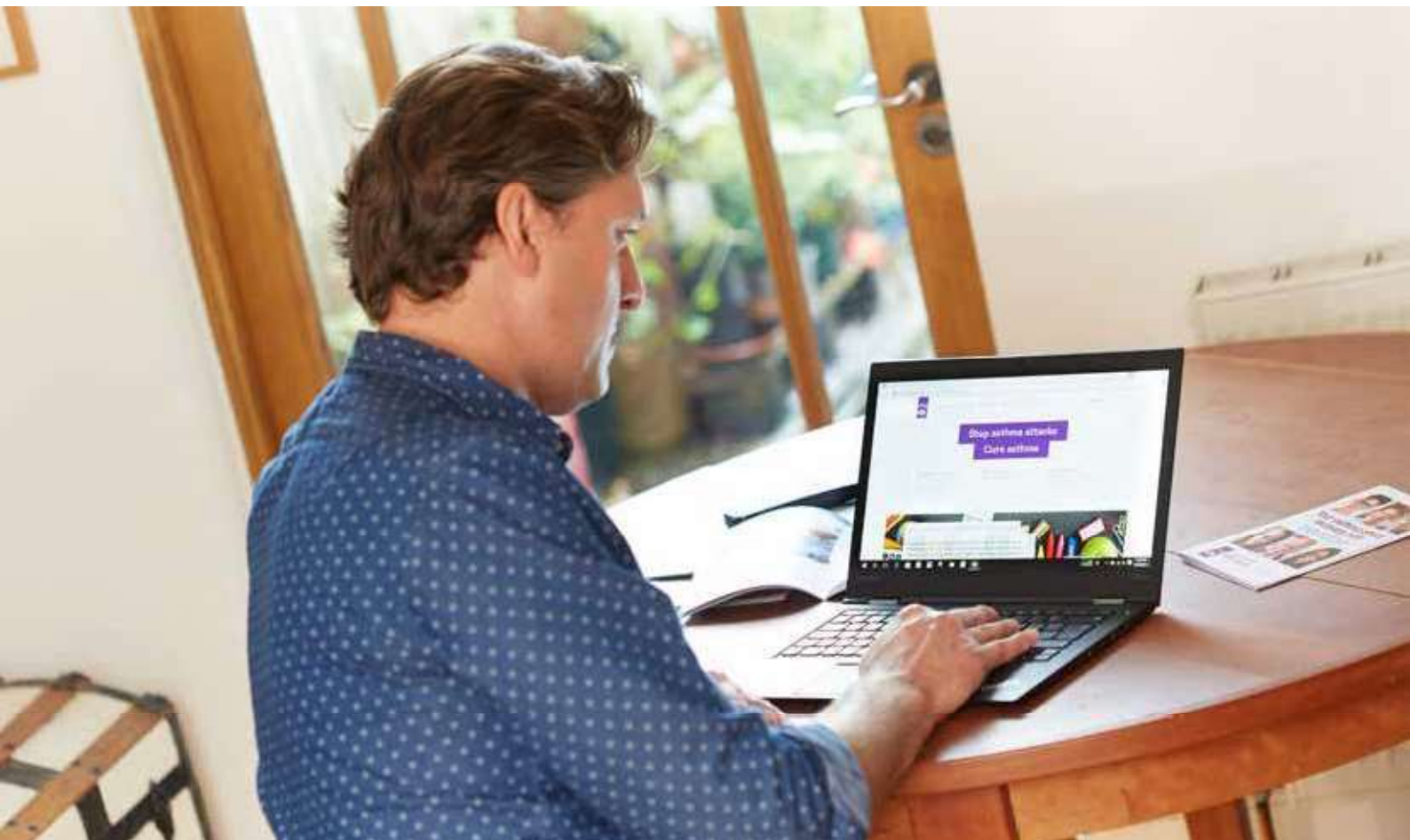
“ We’re very grateful for the support the BLF have given us as support groups, we don’t know where we’d be without it – especially now.

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.

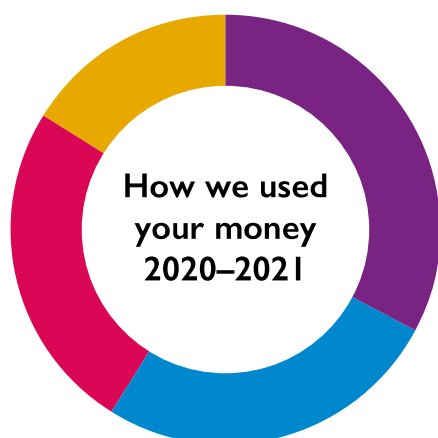
Expenditure on improving care increased by £0.6 million and expenditure on advice and support decreased by £0.5 million. The latter includes our helplines, digital advice and awareness campaigns, and the reduction is due in part to efficiencies achieved through the merger, rather than reductions in support 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

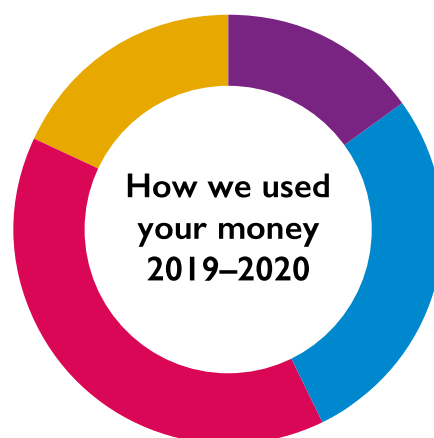
Support costs include the Finance, People and Technology teams, as well as governance and facilities. Support costs were £4.3 million which are up £1.9 million on last year. This increase is mainly due to the fact the prior year figures are a mixture of six months of BLF alone, and six months of the 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.

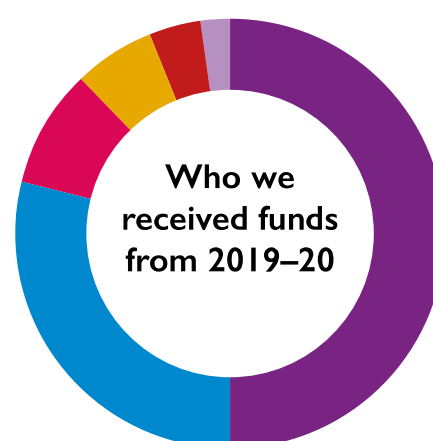
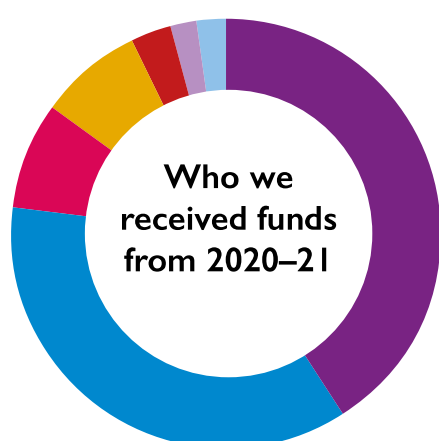
Donations from supporters through community activities and events raised £1.2 million, which is up £0.5 million on last year. These contributions come from a huge variety of activities undertaken by thousands of people throughout the year and represent significant achievement and effort by individuals 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.

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.	<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.
Increased threat of sophisticated cybercrimes and the resulting impact on our systems, data, finances and facilities.	<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.
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.	<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.
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.	<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.
Maintaining compliance with our legal and regulatory requirements.	<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 Bessiron**	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, Insmad, 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.

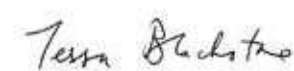
The surplus determined under the Companies Act 2006 is £1,713k (2019/20: £743k deficit).

Balance sheets

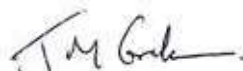
as at 30 June 2021

	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	1,580	697
Research	38	6	35	105	28	247	175
Improving care	154	23	140	420	111	992	491
Advice and support	230	35	210	628	166	1,484	1,053
	667	101	608	1,822	482	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 TOTAL INVESTMENTS £'000	2020 TOTAL INVESTMENTS £'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 TOTAL £'000	2020 TOTAL £'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 £'000	2020 £'000	2021 £'000	2020 £'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 LAND AND BUILDINGS £000	2021 Other £000	2020 LAND AND BUILDINGS £000	2020 Other £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 DiagnOstic 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 2021 £ '000	Resources used 2021 £ '000	Purpose of funding
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 2021 £ '000	Purpose of funding
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 McKevitt – Director of Services
Dr Samantha Walker – Director of Research and Innovation

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Solicitors

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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

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