



Stop asthma attacks. Cure asthma.

Asthma UK Annual Report & Accounts
for the year to 30 September 2019

Contents

Strategic Report

Our mission (pre-merger) 3
 Why our work is so important 5
 Statement from Chief Executive 7
 Our impact in 2018-19 8
 Governance overview 15
 Our aims for 2018-19 18
 Financial review 20
 Principal risks and uncertainties 29

Trustees' Report

Our structure, governance and management 30
 Trustees 35
 Statement of Trustees' responsibilities 38

Financial statements

Independent Auditor's Report to members and the Trustees
 of Asthma UK 41
 Group Statement of Financial Activities 44
 Balance sheets 45
 Group cash flow statement 46
 Notes to the Group Financial Statements 47
 Company information 68

Our mission (pre-merger)

Stop asthma attacks. Cure asthma.

Asthma isn't "sorted". We won't stop until it is.

Every 10 seconds someone in the UK has a potentially life-threatening asthma attack and three people die every day, while others suffer with asthma so severe current treatments don't work. This has to change. That's why Asthma UK exists.

We work to stop asthma attacks and, ultimately, cure asthma by funding world-leading research, campaigning for improved care and supporting people with asthma to reduce their risk of a potentially life-threatening asthma attack. We are almost entirely funded by voluntary donations.

We fight asthma in three ways:

Fund world-class research	Campaign for change on the issues that affect people with asthma	Provide expert advice and support
We've invested over £50 million in asthma research to date. We fund scientists to pursue new avenues of research into asthma and develop better treatments. Ultimately, a cure that would transform the lives of people with asthma will be found. New technologies and better collaboration will increase the chances of scientific breakthroughs and we are determined that everyone with asthma will benefit.	We constantly challenge complacency about asthma so that everyone knows just how serious asthma is. We campaign and raise awareness of the issues and solutions so everyone gets the basic care that research has proved, time and time again, substantially reduces the risk of an asthma attack. We help people with asthma speak directly to politicians and decision-makers on the issues that are important to them.	We help people to manage their daily life with asthma effectively. We achieve this by providing access to the best information and advice available through our website and our expert asthma nurse Helpline.

Every 8 minutes
someone in the UK
is admitted to hospital
because of an asthma attack

Why our work is so important



5.4 million
people in the UK
have asthma



We still don't
know enough
about the
different types
of asthma –
or how many
there may be



1 in 11 children
in the UK
has asthma



Every
10 seconds
someone has a
potentially
life-threatening
asthma attack



3 people die from
an asthma attack
every day in the UK:
tragically, **two thirds**
of these deaths can
be prevented



40% of people
with asthma have
an annual asthma
review with inhaler
check and a written
action plan



Every **8 minutes**
someone is admitted
to hospital because
of an asthma attack



52% of people
with asthma have
an asthma action
plan, even though
you are **4 times**
more likely to end
up in hospital
without one



The annual cost
to the NHS of
managing and
treating asthma
is more than
£1.1 billion

Statement from Chief Executive

2018/19 has been a very busy but very rewarding year. We have been working hard on our mission to stop asthma attacks, and ultimately, cure asthma. There are plenty of highlights to share with you, as well as some exciting developments to look forward to. As ever, we couldn't achieve what we have without the generosity of our supporters, so on behalf of everyone living with asthma, thank you.

During the year, we have been awarded several grants for exciting new initiatives to support people with asthma. Firstly, we were awarded funding from Sport England to support children with asthma to be more physically active. We know that physical activity is key to managing lung conditions such as asthma, as well as having many other benefits for general physical and mental health. But exercise can be daunting for people who experience breathlessness. This grant will allow us to carry out in-depth research to understand the blockers that might stop children with asthma from being active and to find new ways to support these children so they can live more active, healthier lives.

A generous grant was also received from the BUPA UK Foundation to develop a WhatsApp helpline. Through WhatsApp, our team give expert advice to help people to manage their asthma, as well as reassurance to those feeling isolated. Delivering support through WhatsApp allows us to help people who can't call our regular helpline between 9am-5pm, need advice when they're on-the-move, or who may simply feel too anxious to pick up the phone. We have had over 6000 chat conversations so far, and received excellent feedback about how the service has helped people during Covid-19:

“Thank you so much for replying and for all that you do. If it weren't for Asthma UK I may never have known I should be shielding and have now been able to protect myself sooner. I can't thank you enough.”

Aside from grants, we've received incredible support from members of the public through sponsored events. An amazing 264 runners completed the London Marathon for Team Asthma UK in 2019, this is our biggest team to date. Between them, they raised over half a million pounds and their dedication and personal stories inspired us hugely. I want to say a huge thank you to all the steppers, walkers and runners who have taken part in sponsored events on behalf of Asthma UK.

Thanks to the generosity of our supporters, we have been able to campaign for better asthma care, and invest in world-leading research. In campaigns, we continued with our efforts to raise awareness of the importance of taking preventative medication and pressed forward with our campaign for free prescription charges. In research, we have been able to invest an incredible £2.7m into research projects across the UK. These projects represent the most cutting-edge science taking place across the nation, and we hope they will lead to better treatments, and ultimately a cure, for asthma.

Our expert asthma nurse **helped over 7,000 people via our telephone Helpline**, achieving a fantastic 4.8 out of 5 satisfaction rating

We know we can fight asthma better by working together, and so we have been working in partnership with other key organisations. One example this year was with the UK Inhaler Group, where we launched a comprehensive suite of inhaler technique videos for the public. The videos have been watched over 50,000 times and are embedded into the NHS and NICE websites as well as our own website. These videos will help people with asthma across the nation to use their medication more effectively, feel confident managing their condition, and ultimately maximise their health and wellbeing.

On the theme of Partnership working, at the start of 2020, Asthma UK merged with the British Lung Foundation, a charity with similar objectives but covering a broader range of lung conditions. The new merged charity, called the Asthma UK and British Lung Foundation Partnership, will be a more powerful voice for change for lung conditions, including asthma. Additionally, the merger will allow us to share running costs, making our supporters' money go even further to fund more world-leading research, support services and campaigning. We're confident we'll be able to do much more for people with asthma and other lung diseases by working together and we're very excited about this next chapter in our history.

Benefits from the merger have already been demonstrated in the Partnership's ability to provide advice and support during the COVID-19 crisis. The new coronavirus is a respiratory disease and as a result, our website and helplines have been inundated with enquiries. The Partnership has meant we have a larger support team and more advisers to call on, enabling us to support the huge numbers of people who need our help at this difficult time. We have been able to coordinate our responses to the governments shielding guidelines, and work together to share reliable advice about the pandemic, that people with asthma and other lung diseases can trust. I look forward to seeing the Partnership continue to work together to support the people across the nation who are now having to think about their lung health in ways they may never have before.

Throughout the year, the Asthma UK staff team have continued to show the professionalism, commitment and support, which the Board and I value highly. I say again, thank you to the participants, volunteers, supporters and donors for their contributions to the charity to make our vital work possible.



Kay Boycott
Chief Executive

Our impact in 2018-19

In 2018-19 we outlined our aims to change the lives of people with asthma in three ways

IMPROVE ASTHMA MANAGEMENT WHERE DELIVERED

Inspire people with asthma to make a positive change

This year we have involved more people with asthma in research to better understand the issues they face, and how we might design new products and services to help. We worked with young single people, parents, people with severe asthma, and people who use our WhatsApp services. The insight we have gained will help us design products and services that really meet their needs.

We have continued to build on our successful campaigns highlighting asthma triggers to reach people with preventative advice at their time of highest need. Over 800 pieces of media coverage resulted in 100,000 visits to our pollen advice website pages. Our winter campaigns reached a combined audience of over 50 million and attracted 64,000 visits to our flu advice pages and another 25,000 visits to our pages on winter triggers.

There is evidence that children with asthma sometimes miss out on opportunities to be active,

take part in sports and play with their friends. Funded by a grant from Sport England, we have carried out in-depth research and co-creation with families, teachers and coaches to understand the blockers, and start the development of new ways to support children with asthma to be more active. We thank Sport England for the £275,000 grant awarded to the charity in the year and for the £74,000 of grant funds from this award received during the year to support this work.

Re-imagine asthma self-management through innovation

Our innovative, nurse-led advice service has gone from strength to strength, with 2,685 people seeking advice via our WhatsApp service, in addition to the 7,200 calls taken on the phone. Funded by the BUPA UK Foundation, we began work to put in new infrastructure for the WhatsApp service to enable us to reach even more people. We thank the BUPA UK Foundation for the £115,000 grant awarded to the charity in the year and for the £40,000 of grant funds from this award received during the year to support this work.

Overall, over 2.5 million people visited our health advice web pages this year. We improved our web advice on asthma attacks, reaching 50,000 people, and launched a new guide for parents of children going through an asthma diagnosis, which reached over 30,000 people. We also updated our online advice for severe asthma to let people know about new treatments that could help them.

In partnership with the UK Inhaler Group including a host of professional bodies, we launched a comprehensive suite of inhaler technique videos to the public, attracting 115,000 visitors. The videos have now been watched over 50,000 times and are embedded into the NHS.UK and NICE websites.

Demand improvement in the NHS for people with asthma

Following our reports on digital asthma care and health inequalities in Autumn 2018, we welcomed the stronger commitment to asthma care in NHS England's Long Term Plan. This includes help with medicines, education for asthma self-management and a trial of smart inhalers. The proposals offer hope for people with asthma and we are already working with policymakers to ensure they are implemented.

Services for people with difficult and severe asthma are also expected to improve, thanks to an England-wide initiative supported by Asthma UK staff and

In the past year

7,000



7,000 people called the Asthma UK Helpline

171,085



171,085 Asthma Actions Plans downloaded

39,000



Over 39,000 WhatsApp chat advice messages exchanged

volunteers to bring specialised services up to a consistent standard. To illustrate the challenge, we published new analysis of national referral rates which showed a shocking shortfall in the numbers of people who should be referred to specialists and considered for new, life-changing biologic drugs. We helped ensure that people with severe asthma in Scotland can now access the new drug, Benralizumab.

In February 2019 we launched our campaign to Stop Unfair Asthma Prescription Charges. Overall, 70,000 supporters signed a petition or wrote to their MP, leading to questions in Parliament and pressure on politicians. Our research showed that three in four people have struggled to afford their essential medicines and more than half have skipped doses to save money; and a massive 98% of healthcare professionals agree it is time to review the outdated medical exemptions list. The pressure is making an impact, with one major political party already promising to stop the charges.

Official statistics, crunched by Asthma UK analysts, showed that asthma deaths are up by a third in the last decade. Our annual survey report also found that the number of unreported asthma attacks were much higher than official clinical data, yet most people still miss out on basic care and urgent follow-up appointments. We are exploring how to

harness shared data and digital technology to improve primary care for asthma. We continue to work in partnership to tackle some of the wider causes of attacks, particularly indoor and outdoor air pollution.

Invest in exceptional patient-centric science

Asthma UK funds some of the best asthma researchers in the world to make the breakthrough discoveries that people with asthma need. This is with the aim of developing new treatments and cures for asthma. For example, we found that a commercially available drug targeting cellular metabolism is able to maintain lung function in mice with asthma symptoms; this supports the idea that targeting cellular metabolism could be a viable strategy to treat asthma and that drugs may already exist to do this. A team from the University of Sheffield have investigated a protein called Tenascin-C, showing that it plays a key role in the worsening asthma symptoms that result from having the common cold and is therefore a potential target for new treatment. An effective treatment for this would potentially help the 81% of people whose asthma symptoms are worsened when they have a cold.

Researchers at the Asthma UK Centre for Applied Research have shown that the flu vaccine prevents

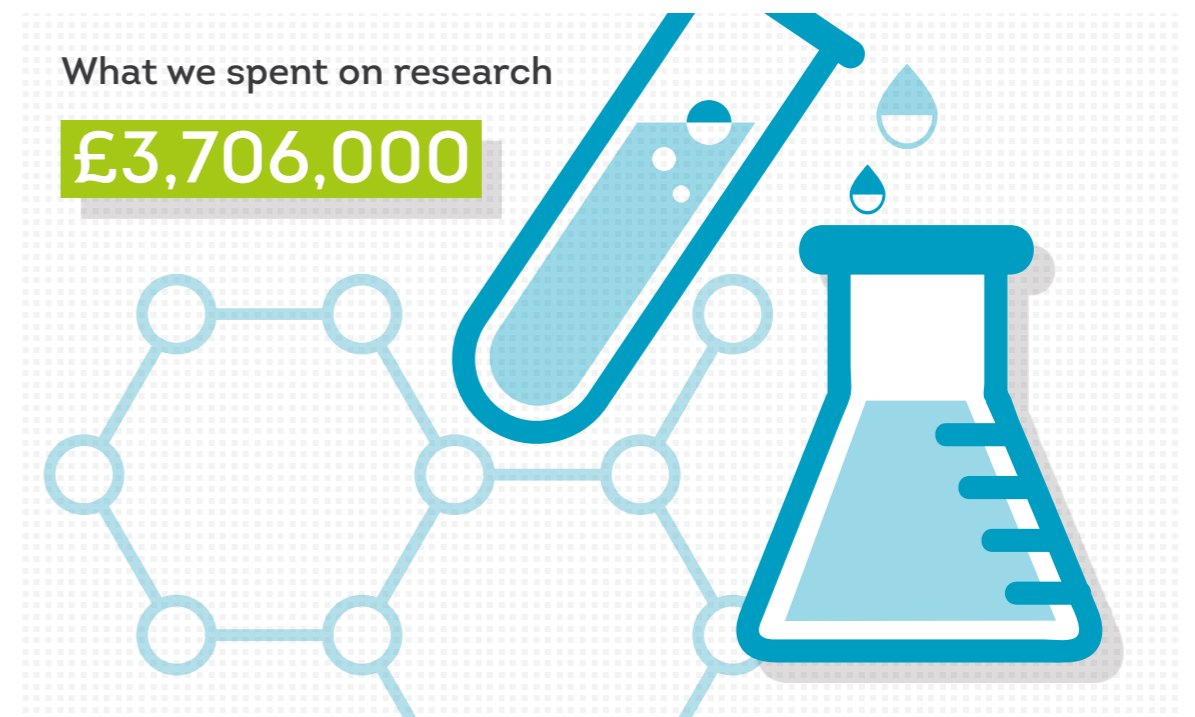
up to two thirds of asthma attacks that may lead to hospitalisations, are contributing to the development of a children's asthma risk prediction tool and provided the first convincing evidence that vitamin D supplementation reduces risk of respiratory infection, asthma attacks and hospitalisation.

Importantly, we support the next generation of asthma research superstars, funding projects that will enable them to develop their own skills and ideas. This year we have awarded three new Career Development Awards (CDA). The research these investigators will do will look at new approaches to treating steroid-resistant asthma, test the potential for a new treatment for allergic asthma and identify genetic differences that are associated with an increased risk of developing asthma.

SPEED UP RESEARCH AGAINST THE BIGGEST ASTHMA PRIORITIES

Broker ambitious research collaborations

Asthma UK continues to work in partnership to drive patient-centric research priorities with other funders. The value of collaborations we support is now £22.5m. Year on year we have doubled the number of research funding applications we have supported and significantly increased the number of external partnerships for which we facilitate the involvement of people with asthma, increasing the quality and relevance of the research and the likelihood of impactful outcomes.



It is vital we encourage researchers and other sectors to work together to create a pipeline of research innovation so that new interventions reach people with asthma faster. In May, we successfully ran a networking workshop to enable researchers and SMEs/commercial partners to form more meaningful partnerships to develop new diagnostics tools for asthma.

The research opportunities afforded by the use of “big data” continue to grow and we are delighted to be a partner on one of the newly established Digital Hubs, funded by HDR-UK, called BREATHE. This Hub will be a centre of excellence with expertise, tools, knowledge and ways of working to maximise the insights and innovations developed from health data. Asthma UK acted as a neutral broker for the respiratory community throughout the application process and continue to support this endeavour to improve the lives of people living with respiratory conditions in the UK.

Using the European Asthma Research and Innovation Partnership research priorities we encourage funders to invest in areas of continuing unmet need for people with asthma. In the summer, we published a new report which identified four key areas for research into non-allergic asthma: the role of sex hormones, the microbiome, the impact of the nervous system and of air pollution. The report was highlighted at a recent international scientific symposium in Madrid. It also led to Asthma UK submitting asthma as a candidate for the forthcoming €3bn EC Health Public-Private Partnership which is currently in consultation. If successful, this will make asthma a high-profile case for investment in multi-sector partnerships to solve complex health problems.

MAXIMISE RESOURCES FOR THE LONG-TERM BENEFIT OF PEOPLE WITH ASTHMA

Develop a sustainable asthma fundraising model for a digital world

Asthma UK is almost entirely funded by voluntary donations. The generosity of our supporters has helped us to provide and develop all our services; continuing to reduce the number of asthma attacks, improve quality of life and potentially saving lives. The fundraising environment is tough and getting tougher. However, this year the charity has been regularly reviewing the insights and learnings from our income streams; using these to inform and update our fundraising portfolio. We do this to ensure that we can make the most of every penny raised.

This year, Asthma UK has invested in new approaches to engage new donors and develop stronger relationships. Across the year these new initiatives generated an 83% rise in email contacts. We are now working on implementing new email activity to engage with these supporters, resulting in a more cost-effective way to reach donors.

Our Sporting and Events revenue stream continues to strengthen and has benefited from the improved stewardship approach and learnings from new digital recruitment tests. The team have built on last year’s successes, especially in the London Marathon and RideLondon100, with both events delivering an increase in income on the previous year – a key success given the challenging sector climate.

Advance Asthma UK’s agility and productivity

This year we continued to upgrade our technology infrastructure to increase our resilience and future proof against changing supporter preferences. We have also implemented a number of people initiatives. For example, there has been a particular focus on growing our Learning and Organisational Development offer as we invest in staff to ensure we have the right skills and capabilities to meet the demands of today’s uncertain environment for charities. We have worked on the development of an online HR Information System and an enhanced our range of productivity tools for staff.

Following the implementation of the GDPR last year, we have continued to keep a close eye on our information governance, following a data philosophy that ensures that the value of the data we hold outweighs the cost of processing it.

For every pound we spent...



- 25.1p was reinvested in fundraising to make another £1
- 74.9p was spent on charitable activities

Every 10 seconds
 someone has a
 potentially life-threatening
 asthma attack

GOVERNANCE OVERVIEW

Strong governance is critical to our success

During the spring & summer we explored a merger with the British Lung Foundation to enable us to deliver more for people with asthma and be more sustainable in the long-term. Due diligence was completed with a small internal team, external advisors and a steering committee of Trustees. The due diligence work provided assurances that the merger was viable, in fact it showed that both parties were coming from a position of strength. It also showed that it would be to the benefit of our beneficiaries. The Trustees unanimously supported the merger and our members overwhelmingly supported it too. The merger with the British Lung Foundation subsequently took place at midnight on 31 December 2019.

How our trustees support us?

Asthma UK recognises the importance of having effective governance arrangements to ensure our continued success and reputation. Asthma UK is governed by its Articles of Association which set out the organisation's charitable objectives, these are:

- To promote research into asthma and its allied disorders, and to ensure the diffusion of the results of such research.
- To provide an organisation for the benefit and service of those with asthma and others interested in asthma and associated diseases.
- To spread knowledge of the cause, alleviation and cure of asthma and its allied disorders, including practical knowledge relating to the application of any remedy among:

- Those professionally concerned with the suffering caused by asthma and its allied disorders, and
- The persons and the parents and guardians of those persons suffering from asthma and its allied disorders and the public at large.
- To provide, through appropriate medical channels, medical equipment for use by and for the treatment of persons suffering from asthma and its allied disorders.

The Council of Trustees takes overall responsibility for the work of Asthma UK. The Council 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 Council and the role of the executive.
- Ensuring the Council operates effectively.
- Implementing strong safeguarding processes to ensure staff, supporters and everyone who comes into contact with the charity is protected from harm.

The corollary of effective governance will ensure:

- That Asthma UK achieves and can demonstrate our impact
- The objects of the charity are advanced
- Compliance with laws, regulations and best practice
- That Asthma UK is well run and efficient
- That problems can be identified early and dealt with appropriately.

Asthma UK uses the Charity Governance Code to benchmark and assess its compliance with best practice. Asthma UK last reviewed the code in September 2018 and the results were reported to the Nomination and Governance Committee and Council. Asthma UK will be pleased to respond to the Charity Governance Code consultation, announced in November 2019, to ensure the code remains fit for purpose in an ever-evolving sector. The following provisions of the code have not been applied and a rationale is provided as per the code's 'apply or explain' principle.

- The current Council of Trustees is made up of 12, although the articles of association allows up to 16, ten elected and six co-opted Trustees. The rationale is that Asthma UK undertakes a variety of activities, many within a rapidly evolving external environments. It was thought prudent to have the ability to secure a range of expertise and experience when necessary.
- The Board reviews its performance regularly. An external facilitator is used annually to coach the board in achieving high performance. A three-year external review is not currently considered necessary, but will be kept under review.
- Asthma UK has not set formal diversity targets for the Board. Diversity is always considered during recruitment, but no targets have been made.

Since the last review of the Charity Governance Code, Asthma UK has introduced a Trustee Code of Conduct which was formally adopted in March 2019. The code of conduct sets out an agreed set of guidelines that the trustees must adhere to and ensures that the organisation is effective, accountable and high standards of integrity are maintained.

Our approach to Fundraising

We are enormously grateful for the continuing generosity of our supporters and work hard to test and flex our approach to fundraising to match the changing ways that people choose to engage and give. We continue to identify key areas that can be improved on and invest in these, enabling change to happen. This includes planning a substantial CRM change programme to streamline data management processes across the organisation. By streamlining manual processes we will save time and money, make better use of current staff time and improve internal efficiency. We will also be able to provide better integration of messaging and achieve better segmentation of our audiences. This project will help us keep our supporters at the forefront of our focus; communicating with them at the right time, with the right compliance and providing them with tailored information and health advice.

Participation in fundraising regulation and our compliance with codes

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 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. Asthma UK requires all staff to follow best-practice guidelines for dealing with vulnerable people and our Policy for Fundraising Communications with Vulnerable Supporters is available on our website. This year we have updated our self-exclusion from gambling process, continuing to safeguard the wellbeing of individuals. We continuously look to ensure we appropriately act to protect potentially vulnerable people whilst also protecting the reputation of Asthma UK and its employees.

How we monitor our fundraising activities undertaken 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 Asthma UK appropriately.

The number of complaints received

This year our fundraising volume reach was 9.7m donor contacts. We have received 83 fundraising complaints. 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 our website.

Fundraising Preference Service Requests

The Fundraising Preference Service (FPS), run by the Fundraising Regulator, is aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. It was launched in July 2017 and we received nine of these requests in the period from 1 October 2018 to 30 September 2019.

Our aims for 2019-20

Following an Extraordinary General Meeting in December 2019 Asthma UK merged with the British Lung Foundation to create the Asthma UK and British Lung Foundation Partnership. All our planned activities will continue under the new organisation.

Improve Asthma Management where delivered

Inspire people with asthma to make a positive change

- Releasing a new digital product, funded by Sport England, to support children with asthma to be more active
- Adding pollution to our popular trigger campaigns, alongside pollen, winter triggers and back to school, to alert people to risks when most needed
- Continue our media campaigning work, helping more and more people to understand the seriousness of asthma
- Carrying out original research alongside people with asthma to better understand the issues affecting people with asthma

Re-imagine self-management through innovation

- Implementing a new platform so we can scale up our WhatsApp advice service to reach even more people
- Developing online tools to support people with severe asthma to get the right treatment for them
- Integrating our digital advice more closely with NHS services, to help people get the care they need.

Demand improvement in the NHS for people with asthma

- Support and promote the new severe asthma care pathway so that every patient in England receives timely specialist multidisciplinary care, access to biologic drugs if they need them, explore how live data sharing could identify those with signs of severe asthma and ensure they are rapidly diagnosed.
- Showcase asthma as an exemplar condition for implementing digitally enabled primary care, harnessing the potential of joined-up data and tech to address pinch-points in the care pathway.
- Make the case and push for action to abolish prescription charges for people with asthma.
- Highlight the evidence on asthma-related health inequalities in our annual survey report and promote learnings from the new asthma audits and the Health Survey for England asthma questions

Speed up research against the biggest asthma priorities

- Fund project grants which bring together academics and SMEs to develop quick, accurate and low-cost diagnostics.
- Support the design of a new asthma care pathway that will use smart inhalers to improve routine asthma care for adults and fund the development phase of a larger Programme Grant that will support the trial of this new technology-enabled pathway in the NHS
- Stimulate investment, partnership and co-funding opportunities with particular focus in non-T2 mechanisms of asthma, and digital innovation to support self-management.
- Lead a global user-centred priority setting exercise to identify the areas of unmet need where technology and data will have the greatest impact in asthma
- Attract new talent to NHS-focused asthma innovation and broker multi-disciplinary, multi-sector collaborations to drive the development of evidence-based and user-centred products.

Maximise resources for the long-term benefit of people with asthma

The Asthma UK brand has remained post-merger and fundraising for asthma activities continues separately. At the date of the merger the unrestricted fund of Asthma UK was converted to a restricted fund for asthma only purposes. This ensures that the resources for the long-term benefit of people with asthma is not eroded as a result of the merger.

Develop a sustainable asthma fundraising model for a digital world

- Continue improving and developing new methods of generating income; introducing new fundraising products and approaches that are sustainable for a digital world.
- Grow the number of supporters, both individuals and organisations.
- Increase donor retention and engagement by improving the end-to-end supporter experience through all channels and touchpoints.
- Continue improving the return on fundraising investment and dynamically manage our fundraising and investment portfolio for long-term financial sustainability.

Advance Asthma UK's agility and productivity

- Roll out the full online HR information system to enable managers to manage their staff more effectively.
- Continuous improvement of our cyber-security arrangements to ensure we safeguard our data and organisational productivity in the face of increasing cyber-attacks on businesses.
- Review and modernise our internal policies to ensure they support and enable staff to achieve their objectives, whilst ensuring best-practice financial and governance control.

Financial Review

We spent £9.9m in pursuit of our mission: to stop asthma attacks and cure asthma.

Overview

	2018-19	2017-18
	£'000	£'000
Gross income	8,441	7,840
Gross expenditure	9,867	7,359
Net (spend) / income before investment gains	(1,426)	481
Gain in value of investments	599	931

How we spent our money

Total resources expended were £9.9 million, £2.5 million more than the previous year. There was a decrease spend in fundraising activity of £0.2 million offset by an increase spend on charitable activity of £2.7 million, relating mainly to grant awards which have increased by £2.3 million.

We spent £3.7 million on research and innovation, including £2.7 million on direct research grants in the year (2017/18 £0.4 million), a further £2 million was awarded to the Centre for Applied Research hosted by the University of Edinburgh. This is its second grant and is for the continuation of its Research Programme for those Individuals and Partners participating in it. The first grant, covered the period May 2014 to April 2019, was for £2 million and this second grant covers the following five years. The Centre helps develop the capacity for translational and applied asthma

research in the UK by supporting collaborations across participating Partners, being a number of Universities and NHS organisations. Three more grants totaling £0.7 million were awarded in relation to our Career Development Awards for studies into specific aspects of asthma and its causes.

Expenditure on Advice and Support for people with asthma remained static at £2.7 million. This includes our Helpline, digital advice and awareness campaigns. Spend on Improving Care increased by £0.1 million to £1 million. This is partially due to externally analysis and our prescription charge campaign. It covered our work on severe asthma, improving primary care and campaigning for free prescriptions.

We spent a total of £2.4 million on activity to raise funds (2017/18 £2.6 million). The majority of this spend was focused on activity to generate funds in year, with the balance spent on attracting supporters who will donate over the long-term, and on diversifying our income streams so there is less reliance on legacy income. We continue to refine our marketing and stewardship to deliver best value from the investment in fundraising.

Support costs

Support costs include the Finance, Human Resources and the Information Systems teams. Support costs were £0.9 million which are up £0.1 million on last year. It includes some merger related costs including additional usage of interim staff in this period.

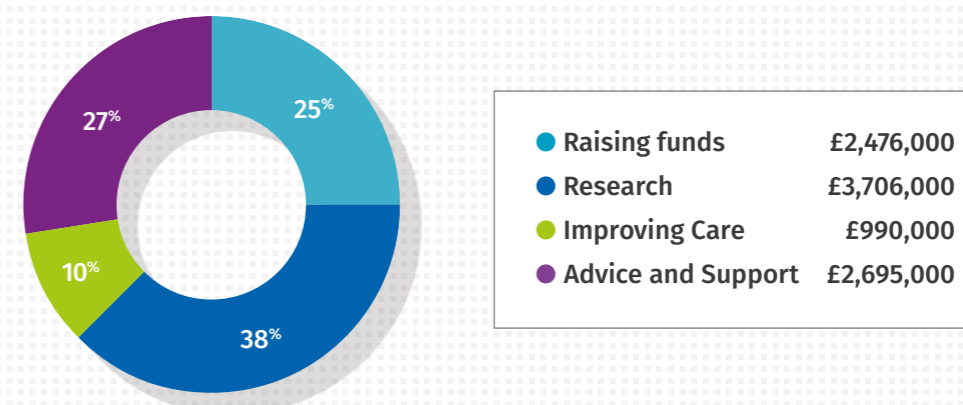
In 2018/19 we have disclosed unrealised gains on investments gross of investment management fees and this accounts for £0.1 million of the increase in support costs. We continue to scrutinise spend on support costs to ensure we are spending effectively and services are efficient. Regulatory and compliance 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 Asthma UK's charitable and fundraising activities to reflect usage by activity and by associated headcount as we believe this gives the fairest reflection of how resources have been utilised. Details are shown in Note 7.

How we raised our money

Asthma UK relies exclusively on voluntary donations and grants from individuals, trusts, corporate and statutory bodies. The fundraising environment across all these sectors remains challenging. We strive to meet best practice standards in our fundraising activity as defined by sector regulators and want our supporters to know that we are fundraising responsibly.

Total incoming resources for the year were £8.4 million (2017/18 - £7.8 million). Gifts in kind form part of this figure and were £0.1 million higher than the previous year. Legacies received were £4 million, up £0.4 million on last.

How we used your money



Legacies continue to be a crucial revenue stream and we are extremely grateful to those who, by leaving bequests to Asthma UK, enable the organisation to achieve its goals. The level of legacies notified to us but not certain at the end of September 2019 amounted to £2.2 million, £0.4 million lower than the comparative figure for last year. 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 and Events activities raised £1.1 million, which is in line with 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 Asthma UK. We are very grateful for their efforts.

Donations from other individuals totalled £2.0 million

(2017/18 £2.2 million). 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. As reported elsewhere in this report, we get relatively few complaints about our fundraising methods, giving assurance that our judgements in this respect are reasonable.

We secured donations from Trusts of £0.5 million in the year, £0.2 million higher than the previous year, mainly due to a £0.2 million donation from the Garfield Weston Foundation which did not feature

in 2017/18. 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 asthma.

Income from corporates was £34k which is £42k lower than the previous year. This was a planned reduction as our partnerships policy changed. Additionally, we continued to benefit from £327k of Gifts in Kind relating to £308k from the Google Grant programme to support our online marketing (2017/18 £184k) and £19k from Ashurst for legal advice (2017/18 £nil).

Unrealised gains on investments were £0.6 million, which is stated gross of investment management fees of £74k. In 2017/18 the figure was £0.9 million which is net of investment management fees of circa £70k.

Balance sheet

Given the high level of reserves, the Trustees budgeted for a 2018/19 deficit budget of £2.8 million, which was achieved by a significant increase in the value of grants awarded. The actual Operating deficit for the year was £1.4 million and, after the inclusion of unrealised gains on investments, the final result is a deficit of £0.8 million. Reserves on our balance sheet have consequently reduced by £0.8 million. A review of the Designated fund to support investment projects has resulted in the year-end balance being set at £0.6 million, taking into account expenditure for the year of £2 million, this results in a transfer back to free reserves of £0.5 million. The movement on designations and the results for the year have resulted in an increase in free reserves of £1.6 million to £6.7 million.

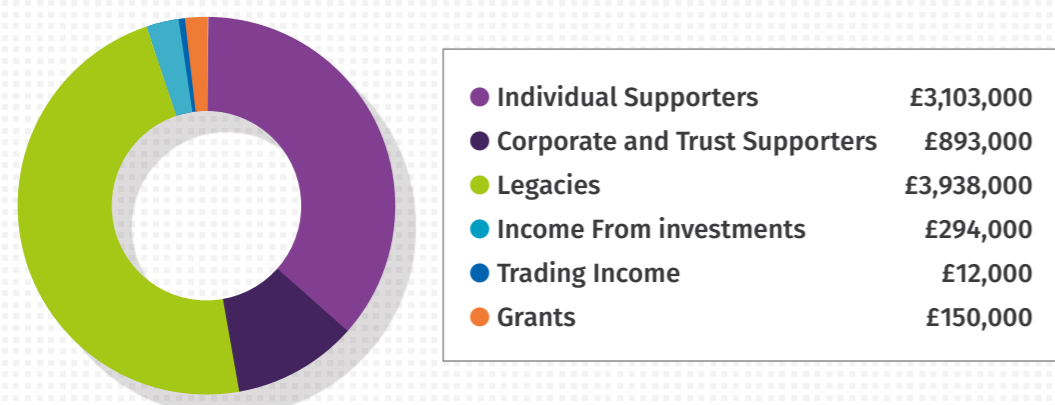
Donations from community and events activities raised a fantastic **£1.1 million**

Subsidiary's performance

Asthma Enterprises Limited (AEL) was a wholly owned subsidiary of Asthma UK. It conducts trading activities, largely associated with fundraising, that are not covered by the Charity's main objectives. All profits are transferred to Asthma UK under the company Gift Aid scheme. From the date of the merger with the British Lung Foundation, AEL became a wholly owned subsidiary of the merged entity, which was renamed and became the Asthma UK and British Lung Foundation Partnership.

This year's turnover was £39k (2017/18 £69k) while the operating profit (before the transfer to Asthma UK) was £35k (2017/18 £32k). An appropriate share of group costs is attributed to AEL. Details of income and expenditure can be seen in Note 4 of the accounts.

Who we received funds from



171,085 Asthma Actions Plans were downloaded from our website. Using the plans helps people significantly cut their chances of an asthma attack

Financial position at the end of the year and financial outlook

Given the high level of reserves, the Trustees have again set an operating deficit budget for 2019/20 of £0.8 million. This budget also assumes unrealised investment gains of £0.2 million giving an overall budgeted result for 2019/20 of a £0.6 million deficit.

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.

This budget will be taken forward into the merged charity. The new corporate structure provides new opportunities to make the best use of our resources. We will seek to share running and management costs to release more funds to charitable activities.

Review of reserves

At the end of the year our total funds stood at £8.5 million, of which £1.2 million related to restricted and endowment funds, with unrestricted funds making up the balance of £7.3 million.

The Trustees recognise the need to hold sufficient free reserves to ensure the protection of our core activities in the event of income shortfall, and to allow balanced long-term strategic planning. Free reserves available for use by Asthma UK are those that are readily realisable, less funds whose use is restricted, endowed or have been designated for

particular purposes. The definitions of these funds can be found in Note 2(g) of the accounts and details of individual funds in Note 17.

The Trustees have set a target range for free unrestricted reserves on a risk basis to provide some protection against any unforeseen decrease in our investment portfolio or failure to achieve our fundraising plans, and to provide sufficient working capital for the organisation. The range of this risk-based approach is the equivalent of two to three months of budgeted expenditure for the coming year, excluding research grants. This approach recognises that most of the Charity's income comes from voluntary donations which are uncertain. There will be some designations for merger costs.

During 2017/18 the Finance and Audit Committee reviewed both the methodology and the calculation of target reserves and recommended a target range of £1.4 million to £2.1 million, this range was approved by Council on 13 December 2018.

Free reserves at the year-end have decreased by £1.6 million to £6.7 million as described above (Balance Sheet section). This is above the upper range agreed by Trustees and they will consider plans for spending the excess reserves during the coming years.

Endowment and restricted funds

Endowment and restricted funds at the end of the year amounted to £1.2 million (2017/18 £1 million). Income from our endowed funds is restricted to support our research expenditure, while other restricted funds are applied towards specific activities agreed with donors.

Designated funds

The fixed assets fund represents the book value of the Charity's tangible fixed assets and has been established in recognition that these assets are not readily convertible into cash and are therefore not available to cover contingencies. At 30 September 2019 the level of this reserve was £0.1 million (2017/18 £0.1 million).

Funds of £0.6 million (2017/18 £3.1 million) were designated at the year-end for projects being funded from reserves. These are in respect of building sustainable digital fundraising, developing asthma self-management tools through digital innovation, investing in exceptional patient centric science through co-funding, and a second joint grant round with Innovate UK. All of this fund is expected to be spent during 2019/20. Explanation of re-allocation between funds is shown in Note 17.

Research grants policy

Asthma UK has agreements to fund research projects, senior research fellowships and research centres for periods of up to five years. Given the constructive obligation created on awarding these grants a provision is made in the accounts at that point for forward commitments (i.e. these are recognised as liabilities).

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 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 Council of Trustees, monitors the activities and performance of the investment managers on a regular basis.

The Charity's aims in investing its funds continues to be to:

- Produce the best financial return within an acceptable level of risk
- Generate a return in excess of inflation over the long-term while generating an income to support the ongoing activities of Asthma UK
- Hold sufficient liquid funds to meet short-term funding requirements.

Investments continue to be made to the Newton Growth and Income Fund for Charities. The Finance and Audit Committee monitors the Fund's performance quarterly and compares with industry benchmarks to ensure the Fund remains appropriate for Asthma UK's investments. The Committee reviews the Charity's investment policy annually and, in the year under review, reconfirmed the commitment not to invest in tobacco or smoking related products.

Investment performance

The Newton Growth and Income Fund for Charities aims to maximise returns through capital growth and income from a portfolio of global equities and fixed-interest securities, and targets income yield of 3% per annum.

The capital appreciation in the year under review was 8.6% compared with the comparative index of 6.3%. Areas that were particularly additive to performance were holdings in the Technology, Industrial and Financial sectors, as was having underweight exposure to Consumer Goods. Holdings in Basic Materials were the most notable detractors from performance. The Fund yield was 2.6% compared with the comparative index of 3.0%. At 30 September 2019 the fund asset allocation was 82% in equities and 18% in cash and bonds.

Interest and dividend income in the year from investments and bank deposits amounted to £0.3 million (2017/18 £0.3 million). Gross unrealised gains on investments were £0.6 million gross (2017/18 £0.9 million net).



3 people die

from an asthma attack every day
in the UK: tragically two thirds of
these deaths can be prevented



Principal risks and uncertainties

The Finance and Audit Committee has been delegated the responsibility to oversee Asthma UK's risk management strategy and process. However, the Council has ultimate responsibility for the management of risk. A risk report, reviewed by the Committee every meeting, highlights changes to strategic and operational risks. There are six overarching strategic risks which could impact on the fulfilment of Asthma UK's strategy, with a number of operational risks underneath. Each strategic risk is monitored by a committee and has a named member of the Senior Leadership Team who is responsible for its management.

A formal risk management policy and framework has been adopted to ensure there is a shared understanding of risks and how they can be managed. The risk register is used to ensure identified risks have suitable mitigations in place, the risk appetite for each risk and additional actions to reduce the risk further. It is reviewed by the Senior Leadership Team who discuss changes to the risk register at a

quarterly meeting, as it is recognised that risks do not occur in isolation and will impact on the wider organisation.

Throughout the year, each strategic risk has had a 'deep dive' to provide the Finance and Audit Committee with additional insights, the rationale for the assessment and the opportunity to focus a specific area of risk. The risk deep dives are reported to Council for noting.

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

John Graham

Trustee and Director of Asthma UK and Chair of the Finance and Audit Committee for the Asthma UK and British Lung Foundation Partnership

Risk	Mitigation	Future action
Post-merger: the failure to realise the benefits from the merger between Asthma UK and British Lung Foundation Partnership which results in loss of focus of the needs of people with asthma, confusion for supporters and beneficiaries, difficulty achieving cost saving and efficiencies and culture clash.	Merger agreement in place to outline legal obligations of both parties and protection of asthma in the new organisation, financial business case, risk register, steering group, professional external support, financial and legal due diligence report, continuation of existing brands, staff forum, policy review.	Merger integration group set up to provide support for executive team during early phase of merger, Programme management support.
The increased threat and sophistication of cybercrimes and the resulting impact on our systems, data, finances or facilities.	Annual penetration tests. Mandatory staff training on cyber security. Regular monitoring and strengthening of the internal controls, tech roadmap.	Updating the DR/BC plan to manage specific incident types. Multi-factor authentication will be applied to all staff accounts. Cyber essentials accreditation.
Failure to comply with legal and regulatory responsibilities results in regulatory censure, loss of trust, financial impact and reputational damage to the Asthma UK brand.	Third party assurance on data, technology, health and safety. Programme of inhouse reviews underway and reported to Finance and Audit, adoption of three lines of defence model, ongoing monitoring of legal and regulatory requirements, monthly data governance group, policy governance framework developed, sign off process implemented, incident management plan.	Joined up internal audit programme, influencing future regulations and codes of practice.
The over reliance of legacies as a source of income and failure to diversify fundraising income streams results in a significant financial implication if income is not realised. Societal changes and the potential impact on a no-deal Brexit on charity income results in a slowdown in giving.	Investment in digital fundraising, improvements in customer engagement, fundraising business intelligence reporting has improved small scale test and learn, monthly fundraising meeting to monitor income, legacy pipelined reviewed monthly and reforecast, monitoring of sector legacy trends, risk-based reserves policy.	Legacy marketing strategy and planned activity to be developed. New, innovative fundraising models to be tested.
Failure to recruit and retain people with the relevant skills and experience which impacts on the delivery of strategy.	Regular staff pulse survey and follow-up action plan, exit interviews, pay benchmarking, HR management information monitored by Remuneration Committee, use of contractors for short term gaps, flexible working policies, annual review of the remuneration policy, investments in learning and development, monitoring length of service through BI, annual performance and development reviews.	Induction programme being reviewed, review of roles across directorates, knowledge management processes to be introduced.
Basics of asthma management and access to effective treatments are not provided within the NHS; changing behaviours and preferences of people affected by asthma are not reflected in the provision from Asthma UK or the NHS leading to a decline in self-management of asthma.	Improvements of User requirements at Asthma UK, scale up of WhatsApp service, NHS budget increasing, and asthma included as part of long-term plan, annual care survey, policy monitoring, work in partnership with larger groups to maximise impact.	Continue to contribute to NICE consultations to ensure new treatments are available, prescription charges campaign continues, supporting implementation of the NHS Long Term Plan.
Poorly implemented research strategy leading to poor research outcomes; asthma research not given appropriate priority by institutional funders of medical research and opportunities for collaboration are missed; needs of people with asthma insufficiently considered.	Regular review of research strategy reflecting EARIP priorities; strategy for influencing major research funders; rigorous and independent assessment of grant applications; build partnerships for targeted co-funding of research projects.	Broker multi-national collaborations; further development of opportunities for recruiting people with asthma to clinical trials.

Trustees' Report

Our structure, governance and management

Council sets strategic direction, ensures the Charity achieves its objectives and is responsible for upholding its values.

The Trustees report should be read in conjunction with the Strategic Report on pages 3-29.

Since the year-end there has been a significant change in the structure, governance and management of Asthma UK. At midnight on 31 December 2019, Asthma UK merged with the British Lung Foundation and transferred all its net assets to it. The British Lung Foundation subsequently changed its name to the Asthma UK and British Lung Foundation Partnership. Asthma UK remains as a shell company and is a wholly owned subsidiary of the Asthma UK and British Lung Foundation Partnership. At the same time, Asthma UK reduced the number of Trustees/Directors from 12 to four, by taking two Trustees/Directors from each of the old Asthma UK and the old British Lung Foundation Boards. The Board of the Asthma UK and British Lung Foundation Partnership consists of 12 Trustees/Directors with six Trustees/Directors taken from each of the old Asthma UK and British Lung Foundation Boards.

Up until the merger date the Council set strategic direction, to ensure the Charity achieved its objectives and was responsible for upholding its values.

Structure and management, pre-merger

Asthma UK (the Charity) is a company limited by guarantee (registered company number 02422401) and

is a charity registered in England and Wales (802364) regulated by the Charity Commission, and Scotland (SC039322) regulated by the Scottish Charity Regulator.

During the financial year and up until the date of the merger, the charity governed by a Council of Trustees (Council) chaired by John Tucker, under powers defined in the Memorandum and Articles of Association. Asthma UK was a membership-based charity with a membership of over 5,000. The day-to-day running of the Charity was the responsibility of the Senior Leadership Team, led by the Chief Executive, Kay Boycott.

Council

Council set strategic direction to ensure the Charity achieved its objectives. It oversees governance and was responsible for upholding the Charity's values. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. It had agreed a schedule of matters reserved to Council that includes approval of annual budgets.

It delegated operational responsibility for the Charity's activities to the Chief Executive and Senior Leadership Team and provided advice, guidance and support on an ongoing basis. Council comprised of 12 Trustees

as of 30 September 2019 and met five times during the year, including an Away Day. It was supported by a number of committees to which it delegated certain authorities.

Trustees

The Council pre-merger comprised of up to 16 Trustees, ten of whom must have been directly elected by members and up to a further six who were co-opted by Council. Elected Trustees served a three-year term and were eligible to stand for a second three-year term, after which their term must end unless they were serving as honorary officers of the Charity. In that case they could serve for up to a further term as officers.

Honorary officers are defined as Chair, Vice-Chair, or Chair of the Finance and Audit Committee. Co-opted Trustees served a term of three years, or a shorter period if Council so decided. After three years co-opted Trustees stood down, although they remained eligible to stand for election. Council also had the power, in exceptional circumstances and subject to a formal Council resolution, to extend the term of office of any Trustee that would otherwise come to an end.

All Trustees had to be members of Asthma UK and received no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

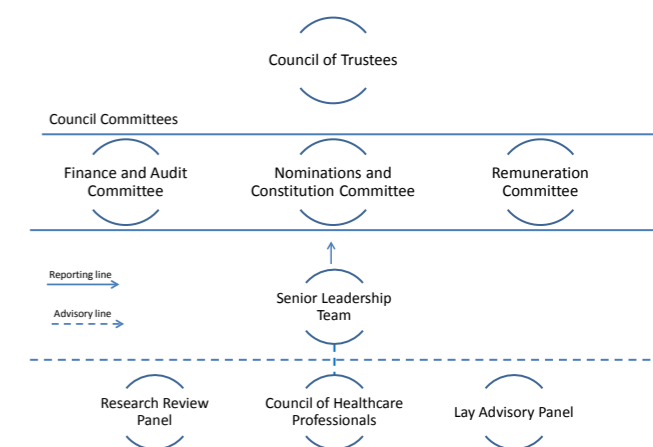
The Nominations Committee met regularly to review the composition of the Council of Trustees and acted on any vacancies. Trustee vacancies were advertised externally unless there were specific skills Asthma UK was looking for. On occasion, the Nominations Committee identified and approached individuals thought to have the right skills, and invited them for application to the Board. New Trustees were formally appointed by Council.

New Trustees were given a tailored induction providing them with information about Asthma UK and

their duties as Trustees and Directors. They were encouraged to become involved in the Charity's activities and sub-committees, using their skills and experience, and to attend other events held by the Charity so that they became informed and fully involved in all aspects of its work. See pages 35 to 37 for full details of our Trustees.

Committees and Advisory Groups

All sub-committees operate under terms of reference set by Council and report on their meetings to the subsequent Council meeting. There are also advisory groups that provide specialist advice and support to the organisation. Council is supported by three committees to which it delegates certain authorities. There are also three advisory groups that provide specialist advice and support.



Finance and Audit Committee

The Finance and Audit Committee oversees in detail the financial plans and performance of the organisation, reviews the results of the risk-management processes, reviews information governance in the Charity and monitors the performance of the Charity's investment portfolio. The Committee consists of six Council members. Council has the power to co-opt up to four non-Trustee members chosen for their relevant skills and experience.

Nominations Committee

The process for electing and co-opting Trustees is overseen by the Nominations Committee consisting of five members of Council. A skills and experience audit of current Council members compared to those skills required to perform Council's duties guides the process.

Targeted advertising is used where necessary to attract candidates with specific skills. On completion of the election process, the Nominations Committee reviews remaining skills gaps and recommends suitable co-options to Council for formal decision. The Nominations 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.

Remuneration Committee

The third sub-committee is the Remuneration Committee, consisting of four members of Council. It's responsible for considering and setting the Charity's Remuneration Policy and terms and conditions of employment for all staff.

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. Asthma UK's ability to achieve positive outcomes for people with asthma is hugely influenced by the commitment, skill and productivity of its staff. Asthma UK's remuneration package, which encompasses financial and nonfinancial elements, needs to be relevant to workers in the market sectors in which Asthma UK competes for labour, and underpinned by the Charity's remuneration philosophy.

The remuneration philosophy can be summarised by the following principles:

- Pay will be competitive so that the charitable objectives can be delivered.
- Pay increases and bonuses linked to individual performance are not awarded; the Charity expects everyone to perform to a high standard. Every employee is different, so every employee's needs and motivations are different.
- Asthma UK's Remuneration Policy seeks to be fair at both higher and lower ends of the pay scale.
- Asthma UK doesn't want its location to be a barrier to potential employees and therefore enables staff to work flexibly.
- Asthma UK encourages a work-life balance and encourages regular breaks.
- The remuneration mechanism must be simple and cost-effective to administer.
- Asthma UK has strong governance structures in place to ensure remuneration is managed in line with best practice.
- Asthma UK is transparent in remuneration reporting.
- Trustees receive reasonable expenses only. Remuneration for the Chief Executive and senior level pay is set, maintained and reviewed by the Remuneration Committee. Senior-level pay is handled in the same way as for all other staff in line with the Remuneration Policy.

The Remuneration Committee reviews the Remuneration Policy annually. The Committee is mindful of advice regarding disclosure of senior staff remuneration in the Charity Governance Code. Senior managers at Asthma UK comprise of the Chief Executive, the Deputy Chief Executive and Director of Research and Policy, the Director of Finance and Resources, the Director of Digital Health, the Interim Director of Income Generation and the Director of People and Organisational Development. The total annual remuneration for the senior management for 2018/19 was £421k (2017/18: £649k).

It is also mindful of the remuneration ratios from the NCVO and the Hutton Review of Fair Pay in the Public Sector and monitors the ratio of the salary of the highest-paid employee to the median salary of the organisation; for the year under review this ratio was 3.19 and within the suggested limit of 4.

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 2018-19 the following served on at least one of Asthma UK's Research Review Panels:

- **Prof. Jorgen Vestbo (Chair)**
- Prof. Neil Pearce
- Prof. Louise Wain
- Prof. Ian Sayers
- Prof. Adriano Rossi
- Prof. Angela Simpson
- Prof. Graham Devereux
- Dr Chris Newby
- Dr Edward Blair
- Mr Tony Davis
- Dr Shona Fielding
- Dr Clare Murray
- Prof. Andrew Wilson
- Prof. Salman Siddiqui
- Prof. Mike Shields
- Dr Clare Lendrem
- Dr Nicola Heron
- Dr Cynthia Iglesias
- Mr Peter Davidson (lay member)
- Dr Alison Long (lay member)
- Toni Gibson (lay member)

Council of Healthcare Professionals

The Asthma UK Council of Healthcare Professionals provides a source of 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 communities across the UK), Council members volunteer their time and are able to inform and shape our understanding of emerging clinical issues, opportunities and guidance. Members also work alongside Asthma UK at national level to add their weight to policy.

In 2018-19 there were 19 members of the Council of Healthcare Professionals

- Dr Hesham Abdalla
- Dr Noel Baxter
- Ms Melissa Canavan (from August 2019)
- Dr Toby Capstick
- Dr Mohanpal Singh Chandan (from August 2019)
- Ms Grainne D'Ancona
- Dr Louise Fleming (Chair until April 2018)
- Ms Natalie Harper
- Ms Sally Harris
- Dr James Hull
- Ms Lianne Jongepier (until January 2019)
- Dr Adel Mansur
- Mrs Anne-Marie Marley
- Mrs Vivienne Marsh
- Dr Keith McCollum
- Dr Kris McLaughlin
- Dr Daniel Menzies
- Prof Anna Murphy
- Ms Amy Olley
- Prof Ian Pavord
- Mrs Deborah Waddell
- **Dr Andy Whittamore** (Acting Chair from December 2018).

“
Asthma UK funded
£3,706,000 in research in
the UK last year
”

Lay Advisory Panel

The Lay Advisory Panel is a group of nine volunteers made up of people with asthma and carers of people with asthma. The Panel acts as a strategy sounding board for Asthma UK's Senior Leadership Team to ensure that our plans and key messages are informed by the insight of people directly affected by asthma.

In 2018-19 there were 22 members of the Lay Advisory Panel

- Peter Dukes
- John Dyer
- Aaron Foulds
- Sara Hope
- Ben Jones
- Andrew Lockley
- Caroline Mackay
- Asif Malik
- Nicholas Marco-Wadey
- Zohra Meziani
- Kelly Murphy
- Jessica Porritt
- Morgan Pritchard
- Caroline Smith (Chair)
- Rebecca Smith
- Andrew Sowter
- Samantha Standley
- Gem Watson
- Rabz Zamir
- Peter Dukes
- John Dyer
- Aaron Foulds

Employment Policy

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.

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.

Trustees and Directors

The Trustees/Directors from the start of the 2018/19 Financial year to 31 December 2019, the date of the merger with the British Lung Foundation, were as follows:

John Tucker – Chair

John was appointed as Chair in July 2018 and is a member of the Remuneration and Nominations Committees. John retired from legal practice in April 2016 after five years as a partner of an Australian firm and 26 years as a partner at Linklaters, with various board and management responsibilities in London and New York. He is a Director and Finance Committee member of London First and Chairman of Governors at The Study preparatory school for girls in Wimbledon. John also holds various consulting roles for established as well as start-up ventures.

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. Ian is a member of the Nominations Committee.

George Anson

George became a Trustee in June 2015 and brings 30 years of entrepreneurial and financial expertise. He is a Senior Advisor of HarbourVest Partners, a global private equity investment management company, having founded their London office in 1990. He is also a former Director and Chairman of Invest Europe. George is a Trustee of The Watts Gallery and The Anson Charitable Trust. He sits on the Finance and Audit Committee.

Jean-Francois Bessiron

Jean-Francois became a Trustee in March 2017 and brings over 20 years' experience in retailing, both online and offline, with senior leadership positions in large UK and global organisations, including at board level. His expertise spans commercial and supply chain operations to digital marketing and technology. He has launched and grown through innovation new business divisions in multiple market segments in Europe from start-up to \$1bn+ revenue, such as AmazonFresh in 2016 (online grocery) and AmazonBusiness (B2B). Jean-Francois sits on the Finance and Audit Committee.

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 CEO and co-founder of digital agency Manifesto and the Chief Innovation Officer and a founding partner for its parent company The Panoply. Jim has worked in digital for nearly 20 years helping people create products and services around the needs of users, working predominantly across the health, housing, travel and charity sectors. He presents the podcast Alexa Stop!, which discusses the impact of technology on our lives. Jim is Chair of the Remuneration Committee.

Dr Yvonne Braun

Yvonne joined as a Trustee in July 2018 and brings over 30 years' experience in financial services and academia to Asthma UK. She is Director of Policy, Long-Term Savings and Protection, at the Association of British Insurers and is particularly interested in how technology can empower users. Yvonne has expertise in organisational leadership, managing complex projects, policy, campaigning and regulation. Her earlier career was spent as a commercial lawyer and as an academic in international criminal law. Yvonne is a member of the Remuneration Committee.

Dr Paul Hodgkin

Paul joined as a Trustee in June 2015. After working as a GP for 25 years, Paul founded www.CareOpinion.org.uk in 2005, a not-for-profit website where patients, carers and staff can share stories of care. Paul brings experience and knowledge of the impact of the digital world in the healthcare arena to the role of Trustee at Asthma UK. He is a member of the Finance and Audit Committee and Chair of the Nominations Committee.

Katherine Morgan

Katherine joined as a Trustee in July 2018 and is currently Head of Business Planning for Sainsbury's Argos, providing insight and governance for various steering groups and Board level committees. Katherine has wide experience balancing customer, commercial and strategic initiatives and hopes to use this to support Asthma UK's future activity. Katherine is a member of the Nominations Committee.

Niren Patel

Niren joined as a Trustee in July 2018 and is currently an investment strategist at Aviva Investors, responsible for building investment strategies for institutional investors. 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. Niren is a member of the Finance and Audit Committee.

Professor Sir Lewis Ritchie OBE FRSE

Sir Lewis joined as a Trustee of Asthma UK in March 2016. Lewis is jointly qualified in general practice and public health medicine and is Mackenzie Professor of General Practice at the University of Aberdeen. He has R&D interests in developing new models of service delivery, eHealth and disease prevention. He has significant experience of NHS Boards at Non-Executive and Executive level, and as a Charity Trustee. Lewis is a member of the Nominations Committee.

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 Asthma UK before on the Research Committee and has had funding for his research from Asthma UK. Ian is a member of the Remuneration Committee.

Martin Sinclair

Martin was an Assistant Auditor General at the National Audit Office until September 2015. He is a member of the Chartered Institute of Public Finance and Accountancy. He is a Non-Executive Director of Brighton and Sussex University Hospitals NHS Trust. Martin joined as a Trustee in 2012. He has been a member of the Asthma UK Finance and Audit Committee since 2010 and became Chair of the Committee in September 2016. He contributes to the charity providing advice on accounting, audit, risk and performance management issues.

The Trustees/Directors from the 1 January 2020 after Asthma UK merged with the British Lung Foundation are as follows:

Professor Ian Hall

Details as above

Niren Patel

Details as above

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 8 years he sat on the Charity Commission SORP committee helping to articulate the international accounting standards for the benefit of the charity sector.

Statement of Trustees' responsibilities

We take our responsibilities seriously

The Trustees (who are also Directors of Asthma UK for the purposes of company law) 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 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 charitable group will continue in business.

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.

Going concern

At midnight on 31 December 2019 the Charity merged with the British Lung Foundation and all the business and assets were transferred to the merged entity, which was renamed the Asthma UK and British Lung Foundation Partnership (the Partnership). Given the transfer of the activities, the financial statements have been prepared on a non-going concern basis. No material adjustments arose as a result of ceasing to apply the going-concern basis.

In early 2020 the coronavirus pandemic began to take hold in the UK. At the time of writing this report, the new merged entity i.e. the Partnership, was working tirelessly to provide the latest information and advice to users of the website and our helplines. This was demonstrated by website traffic increasing 10 fold in March 2020. The Partnership followed Government guidelines and closed its offices, with all staff working from home. A recruitment freeze was implemented, except for essential roles. Due to the increase in the volume of enquires some staff have been redeployed to assist with frontline activities. The Partnership will keep under review whether staff working hour reductions or redundancies would be required, depending on the length and depth of the crisis. However, the Partnership is in a unique situation as the illness affects the lungs and therefore during this crisis the need to provide support is greater than ever. This may also provide new financial opportunities. The Trustees therefore do not see this situation as a threat to the Partnership's going concern status.

Public benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing Asthma UK's aims and objectives and are satisfied that our objectives, strategy, work plans and activities fall within the charitable purpose of "the advancement of health and the saving of lives" as required by the Charities Act 2011.

Our impact section on pages 8 - 13 details our principal achievements and demonstrates how we met our charitable purposes in 2019.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Approved and signed on behalf of the Trustees on 30th April 2020.



John Graham
Trustee and Director of Asthma UK and Chair of the Finance and Audit Committee for the Asthma UK and British Lung Foundation Partnership

The annual cost to the NHS of managing and treating asthma is **more than £1.1 billion**

Independent Auditor's Report to the Members and Trustees of Asthma UK

Opinion

We have audited the financial statements of Asthma UK for the year ended 30 September 2019 which comprise Group Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial 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 September 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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.

Emphasis of Matter

We draw attention to Note 2 to the financial statements which explains that the charitable company has ceased activities following the transfer of the business and assets to The Asthma UK and British Lung Foundation Partnership on 31 December 2019 and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in this respect of this matter.

Other information

The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the 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 require 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, 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 group's or 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.

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.

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, UK

30 April 2020

Group Statement of Financial Activities

For the year ended 30 September 2019 (incorporating consolidated income and expenditure account)

	Group UNRESTRICTED FUNDS	Group RESTRICTED FUNDS	Group ENDOWMENT FUNDS	2019 TOTAL FUNDS £'000	2018 TOTAL FUNDS £'000
Notes	£'000	£'000	£'000	£'000	£'000
Income from:					
Donations and Legacies	7,407	514	30	7,951	7,388
Charitable activities	-	150	-	150	87
Other trading activities	46	-	-	46	77
Investments	252	42	-	294	288
Total Income	7,705	706	30	8,441	7,840
Expenditure on:					
Expenditure on raising donations and legacies	2,402	-	-	2,402	2,621
Investment management fees	74	-	-	74	-
Total expenditure on raising funds	2,476	-	-	2,476	2,621
Net incoming resources available for charitable application	5,229	706	30	5,965	5,219
Charitable activities:					
Research	3,187	519	-	3,706	1,138
Improving Care	990	-	-	990	879
Advice and Support	2,539	156	-	2,695	2,721
Total expenditure on charitable activities	6,716	675	-	7,391	4,738
Total Expenditure	9,192	675	-	9,867	7,359
Net income/(expenditure) before investment gains	(1,487)	31	30	(1,426)	481
Gains on investments	511	-	88	599	931
Net income/(expenditure)	(976)	31	118	(827)	1,412
Transfers between funds	-	-	-	-	-
Net Movement in funds	(976)	31	118	(827)	1,412
Reconciliation of Funds:					
Fund balances brought forward at 1 October	8,330	77	938	9,345	7,933
Fund balances carried forward at 30 September	7,354	108	1,056	8,518	9,345

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 deficit determined under the Companies Act 2006 is £1,457,000 (2018: Surplus £453,000)

Balance sheets

As at 30 September 2019. Company Registered Number: 02422401

	Notes	CONSOLIDATED		CHARITY	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Tangible assets	11	74	101	74	101
Investments	12	10,879	10,354	10,979	10,454
Investments - Cash		-	1,806	-	1,806
Total Fixed Assets		10,953	12,261	11,053	12,361
Current assets					
Debtors	13	455	420	489	463
Cash at bank and in hand		2,875	1,051	2,738	900
Total Current Assets		3,330	1,471	3,227	1,363
Creditors					
Amounts falling due within one year	14	3,104	3,077	3,101	3,069
Net current assets / (liabilities)		226	(1,606)	126	(1,706)
Total assets less current liabilities		11,179	10,655	11,179	10,655
Creditors falling due after more than one year	15, 16	2,661	1,310	2,661	1,310
Net assets		8,518	9,345	8,518	9,345
Represented by:					
Funds					
Endowment funds to Support Research		1,056	938	1,056	938
Restricted income funds		108	77	108	77
Designated funds-Fixed Assets		74	101	74	101
Designated funds to support investment projects		570	3,090	570	3,090
Unrestricted funds	17	6,710	5,139	6,710	5,139
		8,518	9,345	8,518	9,345

The annual trustees' report and accounts including notes 1 to 24 were approved by the Trustees on 30 April 2020.

John Graham
Chair of Finance and Audit Committee

Professor Ian Hall
Trustee & Director

Group cash flow statement

For the year ended 30 September 2019

	2019	2010
Notes	£'000	£'000
Cash flow from operating activities:		
Net cash used by operating activities	(341)	(372)
Cash flow from investing activities:		
Dividends and interest from investments	285	288
Proceeds from sale of investments	-	1,400
Net cash provided by investing activities	285	1,688
Change in cash and cash equivalents in the reporting period	(56)	1,316
Cash and cash equivalents at the beginning of the reporting period	2,857	1,541
Cash and cash equivalents at the end of the reporting period	2,801	2,857
Notes:		
(a) Net (expenditure)/income for the reporting period (as per statement of financial activities)	(827)	1,412
Adjustments for:		
Depreciation charges	27	36
Gains on investments	(599)	(931)
Dividends and interest from investments	(285)	(288)
Decrease in debtors	(35)	236
Decrease in creditors falling due within one year	27	(59)
Increase in creditors falling due in more than one year	1,351	(778)
Net cash used in operating activities	(341)	(372)
(b) Analysis of cash and cash equivalents		
Cash in hand	2,801	2,857

Notes to the Group Financial Statements

For the year ended 30 September 2019

1. Charity Information

Asthma UK is a company limited by guarantee (registered number 2422401), which is a public benefit entity and registered as a charity in England and Wales (Charity number 802364) and Scotland (SC039322), and domiciled in the UK. The address of the registered office is 18 Mansell Street, London, E1 8AA.

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 subsidiary 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 £8,408,000 (2018: £7,770,000) expenditure of £9,870,000 (2018: £7,322,000) and a net decrease in funds of £1,462,000 (£2018: net increase £449,000) 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

Given the transfer of the activities to the Asthma UK and British Lung Foundation Partnership at midnight on 31 December 2019, the financial statements have been prepared on a non-going concern basis. No material adjustments arose as a result of ceasing to apply the going concern basis.

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's aims and objectives and in planning activities and setting policies and priorities for the year ahead.

Notes to the Group Financial Statements

For the year ended 30 September 2019

(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:

- Establish entitlement – entitlement to Legacies is taken as the earlier of the final estate accounts being approved or cash received.
- Where receipt is probable – the charity is aware that probate has been granted.
- 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.

For relevant grants, 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'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. 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.

Notes to the Group Financial Statements

For the year ended 30 September 2019

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 operates a defined contribution pension scheme for its employees and contributes up to 7.5% of gross salary (rising to 10% for employees with more than 5 years service). 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:

Leasehold improvements	over the duration of the lease
General office equipment	25 per cent of cost
General office furniture	25 per cent of cost
Fixtures, fitting and furniture specific to buildings	over the duration of the lease

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.

Notes to the Group Financial Statements

For the year ended 30 September 2019

(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 subsidiary, Asthma Enterprises Limited, has 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 is registered for VAT and has partial exemption in respect of its trading activities.

(j) Judgements and estimates

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

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

(k) Financial instruments

Financial assets and financial liabilities are recognised when Asthma UK becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Asthma UK only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note 13. Financial liabilities comprise all creditors as set out in Notes 14 and 15. At the balance sheet date the Group held financial assets at amortised cost of £3,169,000 (2018: £3,060,000). Financial assets at fair value through income or expenditure of £10,879,000 (2018: £10,354,000) and Financial liabilities at amortised cost of £5,765,000 (2018: £4,387,000)

Notes to the Group Financial Statements

For the year ended 30 September 2019

3. Income from:

	Group UNRESTRICTED FUNDS	Group RESTRICTED FUNDS	Group ENDOWMENT FUNDS	2019 TOTAL FUNDS	2018 GROUP FUNDS
	£'000	£'000	£'000	£'000	£'000
Income from Donations and legacies					
Legacies	3,989	-	-	3,989	3,601
Donations & Membership	1,927	63	-	1,990	2,167
Donations from Trusts	71	431	30	532	318
Donations from Community and Events Fundraising	1,093	20	-	1,113	1,118
Gifts in kind	327	-	-	327	184
	7,407	514	30	7,951	7,388
Income from charitable activities					
Grants	-	150	-	150	87
Income from trading activities					
Corporate Income	34	-	-	34	76
Health advice resources	12	-	-	12	1
	46	-	-	46	77
Income from Investments					
Income from Investment portfolio	243	42	-	285	288
Interest from Bank	9	-	-	9	-
	252	42	-	294	288
Total	7,705	706	30	8,441	7,840

Further details on Government grants is provided in Note 22.

Notes to the Group Financial Statements

For the year ended 30 September 2019

4. Trading Activities of subsidiary (Company Registered Number: 02355314)

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 ended 30 September 2019 and the financial position as at 30 September 2019 of Asthma Enterprises Limited, prior to consolidation were:

Operating results:

	2019 £'000	2018 £'000
Turnover	39	69
Cost of sales	-	(35)
Gross profit	39	34
Administrative expenses	(4)	(3)
Net profit for the year before Gift Aid donation to the charity	35	32
Gift Aid donation to the charity	(35)	(32)
Net profit for the year	-	-

Balance sheet

Current Assets	140	170
Creditors: amounts falling due within one year	(40)	(70)
Net assets	100	100
Share capital	100	100
Shareholders' funds	100	100

Any profits made by Asthma Enterprises Limited are paid by gift aid to Asthma UK.

Notes to the Group Financial Statements

For the year ended 30 September 2019

5. Research

	2019 £'000	2018 £'000
Awarded during the year	2,749	432
Grants written back	(20)	(2)
Total research grants charged in the year	2,729	430

A full list of research grants made during the year is detailed in Note 21.

6. Expenditure

	2019 £'000	2018 £'000
This is stated after charging:		
Depreciation	27	36
Auditors remuneration - audit work	27	27
Auditors remuneration - other work	12	2
Operating lease - land and buildings	328	194
Operating lease - other	11	15

Notes to the Group Financial Statements

For the year ended 30 September 2019

7a. Analysis of total resources expended

	GRANTS TO INSTITUTIONS	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	2019 TOTAL	2018 TOTAL
	£'000	£'000	£'000	£'000	£'000
Cost of generating funds:					
Fundraising costs	-	2,176	226	2,402	2,621
Investment management fees	-	74	-	74	-
	-	2,250	226	2,476	2,621
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	2,729	627	350	3,706	1,138
Improving Care	-	896	94	990	879
Advice and Support	-	2,441	254	2,695	2,721
	2,729	3,964	698	7,391	4,738
Total	2,729	6,214	924	9,867	7,359

7b. Allocation of support costs

	FINANCE	CEO	CO SEC	IT	HR	FACILITIES	2019 TOTAL	2018 TOTAL
Cost of generating funds	54	23	11	39	68	31	226	279
Research	84	36	15	60	105	50	350	121
Improving Care	22	10	4	16	28	14	94	94
Advice and Support	61	26	11	43	77	36	254	290
	221	95	41	158	278	131	924	784

Basis of apportionment: total support costs are allocated based on pro-rata staff salaries. Governance costs incurred in 2019 were £135,853 (2018: £100,512). 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.

The Investment management fees of £74k are estimated and calculated on the month end investment portfolio balance at an annualised rate of 0.6%. Actual investment management fees are charge daily at this rate but are not transparent as they are rolled up into the unit price of our investments. To comply with Financial Reporting Standards, gains on investments for 2018/19 are stated gross of investment management fees. For 2017/18 gains on investments were stated net of investment management fees and there was no disclosure as to the level of these fees.

Notes to the Group Financial Statements

For the year ended 30 September 2019

8. Employees

	2019	2018
	£'000	£'000
Salaries	3,303	3,388
National Insurance contributions	344	349
Employer's pension contributions	168	202
Redundancy costs	94	43
Temporary staff	321	148
	4,230	4,130
	2019	2018
Number of staff (head count based on number of staff employed):		
Charitable services	41	47
Fundraising	24	24
Central services	17	17
Chief Executive Office	2	2
	84	90

9. Remuneration of the Charity's key management personnel

The key management personnel of the charity include the Trustees, Chief Executive, Deputy Chief Executive & Director of Research & Policy, Director of Income Generation, Director of Finance & Resources, Director of Digital Health, Director of People & Organisational Development and Interim Chief Operating Officer.

	2019	2018
	£'000	£'000
Total Remuneration of Key Management Personnel	613	649

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

	2019	2018
£60,001 - £70,000	-	1
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-

The pension costs in respect of these employees amounted to £35,635 (2018: £39,383)

Notes to the Group Financial Statements

For the year ended 30 September 2019

10. Trustees' expenses

None of the trustees received any remuneration during the year. Trustees' total expenses during the year amounted to £2,464 (2018: £2,690). These expenses were incurred in respect of necessary duties carried out. Three trustees (2018: two) received reimbursement of their travel costs totalling £969 (2018: £578).

The charity maintains a liability insurance policy that includes indemnity cover for trustees at a cost to the charity of £280 (2018: £1,067). The indemnity is limited to £5,000,000 in aggregate.

11. Fixed assets

	CONSOLIDATED			CHARITY		
	LEASEHOLD IMPROVEMENTS	OFFICE EQUIPMENT & FURNITURE	TOTAL	LEASEHOLD IMPROVEMENTS	OFFICE EQUIPMENT & FURNITURE	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 October 2018	297	269	566	297	269	566
At 30 September 2019	297	269	566	297	269	566
Depreciation						
At 1 October 2018	196	269	465	196	269	465
Charge for the year	27	-	27	27	-	27
At 30 September 2019	223	269	492	223	269	492
Net book value						
At 30 September 2019	74	-	74	74	-	74
At 30 September 2018	101	-	101	101	-	101

Notes to the Group Financial Statements

For the year ended 30 September 2019

12. Investments: consolidated

	2019 TOTAL INVESTMENTS £'000	2018 TOTAL INVESTMENTS £'000
Market Value as at 1 October 2018	10,354	10,823
Sales Proceeds	-	(1,400)
Investment Management fees	(74)	-
Investment gains/(loss)	599	931
Market Value as 30 September 2019	10,879	10,354
Represented by:		
Newton Income and Growth Fund for Charities	10,879	10,354
	10,879	10,354

The value of investments is deemed to comprise the market value of investments and cash managed by the fund managers. The investments are wholly owned by the charity. The historic cost of listed investments at 30 September 2019 was £7,670,000 (2018: £7,670,000). In 2018 the Investment gain is stated net of Investment Management fees of £70k as it was not split out.

	2019 TOTAL £'000	2018 TOTAL £'000
Investments: Charity only		
Newton Income and Growth Fund for Charities	10,879	10,354
Investments : Share capital of AEL	100	100
Total Parent Charity Investments	10,979	10,454

At 30 September 2019 the charity owns the whole of the issued share capital of Asthma Enterprises Ltd, a company which supports the charity by carrying out ancillary trading activities. The issued share capital of this company is £100,002. The trading results are set out in Note 4.

Notes to the Group Financial Statements

For the year ended 30 September 2019

13. Debtors

	CONSOLIDATED		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	111	109	110	95
Amounts due from Asthma Enterprises Limited	-	-	-	29
Income tax recoverable - Gift Aid	21	27	21	27
Other debtors	37	62	37	58
Prepayments	235	217	235	217
Legacy income accrued	51	5	51	5
Gift aid from Subsidiary undertaking	-	-	35	32
	455	420	489	463

At 30 September 2019, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £2.2m (2018: £2.6m), which had not been accrued.

14. Creditors amounts falling due within one year

	CONSOLIDATED		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	395	413	395	411
Amounts due to Asthma Enterprises Limited	-	-	2	-
Tax & Social Security	110	146	108	144
Research Grants Accrual	2,327	2,379	2,327	2,379
Other Creditors	70	86	70	86
Other Accruals	202	53	199	49
	3,104	3,077	3,101	3,069

Notes to the Group Financial Statements

For the year ended 30 September 2019

15. Creditors amounts falling due after more than one year

	CONSOLIDATED		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Research Grants	2,543	1,192	2,543	1,192
Other Creditors	118	118	118	118
	2,661	1,310	2,661	1,310

16. Grants

	2019	2018
	TOTAL	TOTAL
	£'000	£'000
Balance as at 1 October	3,571	4,532
Grants awarded during the year	2,749	433
Grants written back	(20)	(3)
Payments during the year	(1,263)	(1,391)
Invoices received but not settled at year end	(167)	-
Balance as at 30 September	4,870	3,571
Research Commitments		
Awards falling due within one year	2,327	2,379
Awards falling due after more than one year	2,543	1,192
	4,870	3,571

Notes to the Group Financial Statements

For the year ended 30 September 2019

17. Statement of Funds - 2019

	NOTES	FUND BALANCE B/F	INCOME	EXPENDITURE	INVESTMENT GAINS	TRANSFERS BETWEEN FUNDS	FUND BALANCE C/F
		£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds							
Wells		83	-	-	8	-	91
Evetts	(a)	708	30	-	66	-	804
Mitchell		147	-	-	14	-	161
Total endowment		938	30	-	88	-	1,056
Restricted Funds							
Research							
Peggy Wells Memorial		-	4	(4)	-	-	-
Beryl Evetts		-	31	(31)	-	-	-
Margaret Mitchell Memorial		-	6	(6)	-	-	-
Research into Asthma		15	478	(478)	-	-	15
	(b)	15	519	(519)	-	-	15
Community							
Information and Community Education projects		-	-	-	-	-	-
Total		-	-	-	-	-	-
Education							
Adviceline including the Sarah Leonard & Polly Cambell Funds		58	50	(50)	-	-	58
BUPA - Whatsapp for Young adults		-	40	(35)	-	-	5
Compare your care Campaign and Sever Asthma Roundtables		-	-	0	-	-	-
Sport England		-	74	(65)	-	-	9
Total		58	164	(150)	-	-	72
Statutory							
Dept of Health Asthma Attack Reduction Programme	(c)	1	10	(6)	-	-	5
European Funding							
RF European funding: myAirCoach		3	13	-	-	-	16
Total		3	13	-	-	-	16
Total restricted		77	706	(675)	-	-	108

Notes to the Group Financial Statements

For the year ended 30 September 2019

	NOTES	FUND BALANCE B/F	INCOME	EXPENDITURE	INVESTMENT GAINS	TRANSFERS BETWEEN FUNDS	FUND BALANCE C/F
		£'000	£'000	£'000	£'000	£'000	£'000
Designated Funds							
Fixed assets		101	-	(27)	-	-	74
Investment Cases	(d)	3,090	-	(1,975)	-	(545)	570
General fund							
General fund		5,139	7,705	(7,190)	511	545	6,710
Total unrestricted		8,330	7,705	(9,192)	511	-	7,354
Total Funds		9,345	8,441	(9,867)	599	-	8,518

(a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.
(b) Research projects funds are used to meet the direct costs of the Charity's medical research projects.
(c) The Asthma Attack Reduction Programme is funded by the Department of Health to develop, pilot and deliver behaviour change programmes for adults of working age at a higher risk of an asthma attack to improve self-management and adhere to medication.
(d) Designated fund for investing in the future was set up in 2017 to fund investment in innovative ways to support our programme work. During the year some of these projects were fulfilled, some fell by the wayside and the remainder were retained. The transfer of £545k to the General fund represents the projects not retained.

	GROUP UNRESTRICTED FUNDS	GROUP RESTRICTED FUNDS	GROUP ENDOWMENT FUNDS	2019 TOTAL FUNDS
	£'000	£'000	£'000	£'000
Fund balances as at 30th September 2019 are represented by:				
Tangible Fixed Assets	74	-	-	74
Investments	9,823	-	1,056	10,879
Current Assets	3,222	108	-	3,330
Current Liabilities	(3,104)	-	-	(3,104)
Non-Current Liabilities	(2,661)	-	-	(2,661)
Total Funds	7,354	108	1,056	8,518

Notes to the Group Financial Statements

For the year ended 30 September 2019

17a. Statement of Funds - 2018

	NOTES	FUND BALANCE B/F	INCOME	EXPENDITURE	INVESTMENT GAINS	REALLOCATION BETWEEN FUNDS	FUND BALANCE C/F
Endowment Funds							
Peggy Wells Memorial Wells		73	-	-	10	-	83
Beryl Evetts	(a)	600	30	-	78	-	708
Margaret Mitchell Memorial		130	-	-	17	-	147
Total Endowment funds		803	30	-	105	-	938
Restricted Funds							
Research							
Peggy Wells Memorial		-	3	(3)	-	-	-
Beryl Evetts		-	24	(24)	-	-	-
Margaret Mitchell Memorial		-	5	(5)	-	-	-
Research into asthma	(b)	15	323	(323)	-	-	15
Community							
Information and Community Education projects		-	13	(13)	-	-	-
Education							
Adviceline including the Sarah Leonard & Polly Campbell Funds		67	39	(71)	-	23	58
Whatsapp for Young adults		-	1	(34)	-	33	-
Compare your care Campaign and Sever Asthma Roundtables		113	-	-	-	(113)	-
Statutory							
Asthma Attack Reduction Programme	(c)	1	52	(53)	-	1	1
European Funding							
RF European funding: myAirCoach		12	-	(9)	-	-	3
Total restricted		208	460	(535)	-	(56)	77

Notes to the Group Financial Statements

For the year ended 30 September 2019

	NOTES	FUND BALANCE B/F	INCOME	EXPENDITURE	INVESTMENT GAINS	REALLOCATION BETWEEN FUNDS	FUND BALANCE C/F
Designated Funds							
Fixed assets		137	-	(36)	-	-	101
Designated funds - investment Projects	(d)	1,075	-	(630)	-	2,645	3,090
Non Designated funds							
General fund		5,710	7,350	(6,158)	826	(2,589)	5,139
Total unrestricted		6,922	7,350	(6,824)	826	56	8,330
Total Funds		7,933	7,840	(7,359)	931	-	9,345

- (a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.
(b) Research projects funds are used to meet the direct costs of the Charity's medical research projects.
(c) The Asthma Attack Reduction Programme is funded by the Department of Health to develop, pilot and deliver behaviour change programme for adults of working age at a higher risk of an asthma attack to improve self-management and adherence to medication.
(d) Designated fund for investing in the future was set up in 2017 to fund investment in innovative ways to support our programme work. During the year the trustees designated further funds to support our programmatic activities.

	UNRESTRICTED FUNDS	RESTRICTED & ENDOWMENT FUNDS	TOTAL
Fund balances as at 30th September 2018 are represented by:	£'000	£'000	£'000
Tangible Fixed Assets	101	-	101
Investments	11,222	938	12,160
Current assets	1,394	77	1,471
Current liabilities	(3,077)	-	(3,077)
Non-current Liabilities	(1,310)	-	(1,310)
Total Funds	8,330	1,015	9,345

Notes to the Group Financial Statements

For the year ended 30 September 2019

18. Taxation

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

19. Lease commitments

At 30 September 2019 Asthma UK had annual commitments under non cancellable operating leases as set out below:

	2019 LAND AND BUILDINGS	2019 OTHER	2018 LAND AND BUILDINGS	2018 OTHER
	£000	£000	£000	£000
Operating Leases which expire:				
Within one year	328	7	238	10
In the second to fifth years inclusive	1,099	-	930	-
Over five years	-	-	-	-
	1,427	7	1,168	10

20. Related party transactions

The trustees in office during the year are listed on pages 35 to 37.

Asthma UK is a registered charity and company limited by guarantee and does not have share capital. The trustees have no financial interest in the charity's results or assets and received no remuneration for acting in that capacity. There are no disclosable related party transactions other than those disclosed in Note 10.

Asthma UK has a trading subsidiary, Asthma Enterprises Limited (AEL) - transactions in the year were:

	2019 £	2018 £
Balance brought forward - owed by AEL to the charity	60,227	282,773
Gift aided profit remitted to the charity	(31,702)	(190,947)
Monies relating to AEL received/paid by the charity (net)	(33,139)	(65,801)
Monies relating to the charity received/paid by AEL (net)	-	-
Recharge of staff time for activities of AEL	2,500	2,500
Profits of AEL Limited	35,144	31,702
Amount owing from AEL to the charity	33,030	60,227

Notes to the Group Financial Statements

For the year ended 30 September 2019

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
2,000	Professor Aziz Sheikh University of Edinburgh (Host Institution)	5 years	This is the second grant covering five years to the Centre for Applied Research and is for the continuation of its Research Programme for those Individuals and Partners participating in it. The first grant was for £2,000k covering the period May 2014 to April 2019. The Centre helps develop the capacity for translational and applied asthma research in the UK by supporting collaborations across a number of Universities and Partner NHS organisations. The Centre's focus is on improving outcomes for people of all ages affected by asthma through the conduct and application of applied health research. Findings from the Centre's activities are expected to impact on healthcare within the timescale of this second grant.
250	Dr Cathryn Weston University of Leicester	3 years, 9 months	A study into the white blood cell called a type 2 innate lymphoid cell (ILC2 for short). This cell is found in the lungs and can make large amounts of proteins that cause damage to the lung tissue producing narrowing of the airways, asthma and even steroid resistance. This study is to identify new ways to block the production of these harmful proteins through blocking ion channels. In turn this could lead to the development of new treatments for both people with severe asthma and those with milder asthma.
250	Dr Faruk Ramadani Kings College London	3 years	A study of the antibody called immunoglobulin E (IgE) which triggers allergic responses to allergens resulting in asthma. The IgE antibodies can live for decades in the bone marrow which continuously secrete IgE antibodies. Therefore a person may react to an allergen even after years of avoiding it, this is called the IgE 'memory response'. The main objectives of this study are to find drugs that switch off IgE production and to understand the mechanisms leading to the creation and survival of human IgE memory cells.
249	Dr Katherine Fawcett University of Leicester	3 years, 11 months	A study looking at structural variations in DNA identifying those that increase the risk of asthma and the biological processes through which these structural variations influence asthma and how they can help us to understand asthma types. The findings could contribute to development of diagnostic tests to predict asthma, classify types of asthma and target individuals for preventative and other therapies.
2,749	Total Grants Awarded		

Notes to the Group Financial Statements

For the year ended 30 September 2019

22. Grants received

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

Funder	INCOMING RESOURCES	RESOURCES USED	Purpose of Funding
	2019 £ '000	2019 £ '000	
Department of Health	10	6	To develop, pilot and deliver behaviour-change programme for adults of working age at a higher risk of an asthma attack to better self-management and improve adherence to medication.
BUPA UK Foundation	40	35	To upscale the current WhatsApp service to an enhanced platform to enable service delivery by multiple nurses and thus increasing capacity during office hours. Children with asthma often miss out on opportunities to be active, this project is to understand the reason for this. Asthma UK will work with primary school children and their parents, teachers and coaches to co-create and pilot a user-centred, easy-to-use, scalable digital intervention to help more children with asthma become physically active. The intervention will support improved asthma self-management and tackle the fears and barriers.
Sport England	74	65	

Notes to the Group Financial Statements

For the year ended 30 September 2019

23. SOFA split for prior year (2018) between unrestricted, restricted and endowment

	Notes	GROUP UNRESTRICTED FUNDS £'000	GROUP RESTRICTED FUNDS £'000	GROUP ENDOWMENT FUNDS £'000	2018 TOTAL FUNDS £'000
Income from:					
Donations and Legacies	2(b), 3	7,017	341	30	7,388
Charitable activities		-	87	-	87
Other trading activities		77	-	-	77
Investments		256	32	-	288
Total Income		7,350	460	30	7,840
Expenditure on:					
Expenditure on raising donations and legacies		2,621	-	-	2,621
Investment management costs		-	-	-	-
Total expenditure on raising funds		2,621	-	-	2,621
Net incoming resources available for charitable application		4,729	460	30	5,219
Charitable activities:					
Research		773	365	-	1,138
Improving Care		879	-	-	879
Advice and Support		2,551	170	-	2,721
Total expenditure on charitable activities		4,203	535	-	4,738
Total Expenditure	7a	6,824	535	-	7,359
Net income/(expenditure) before investment gains		526	(75)	30	481
Net gains on investments	12	826	-	105	931
Net income/(expenditure)		1,352	(75)	135	1,412
Transfers between funds		56	(56)	-	-
Net Movement in funds		1,408	(131)	135	1,412
Reconciliation of Funds:					
Fund balances brought forward at 1 October 2017		6,922	208	803	7,933
Fund balances carried forward at 30 September 2018	17	8,330	77	938	9,345

24. Post Balance Sheet Events

At midnight on 31 December 2019 the Charity merged with the British Lung Foundation and all the business and assets were transferred to the merged entity, called the Asthma UK and British Lung Foundation Partnership.

Company information

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London
WC1H 9JA

Auditors

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Solicitors

IBB Solicitors
Capital Court
30 Windsor Street
Uxbridge
Middlesex UB8 1AB

Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London
E1 6PW

Investment Managers

Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Property advisors

HK London
37-39 Lime Street
London
EC3M 7AY

Registered office

18 Mansell Street
London
E1 8AA
T 020 7786 4900
Website: asthma.org.uk

Asthma UK is a company limited by guarantee and registered in England and Wales (registered charity number 802364 and registered company number 2422401).
Scottish registered charity number SC039322.