



Stop asthma attacks. Cure asthma.

Asthma UK Annual Report & Accounts
for the year to 30 September 2018

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Our mission

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



Only **a third**
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



Only **44%** 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

Our expert asthma nurses helped over **6,000** people via our telephone Helpline, achieving a fantastic **4.6 out of 5** satisfaction rating

Statement from Chief Executive

Winter 2017 was particularly hard for many people with asthma – a deadly flu season and periods of vicious cold. Sadly, trigger peaks lead inevitably to more asthma attacks and deaths. We then saw people with asthma affected by the extreme heat in the summer. This simply increases our determination to stop asthma attacks and cure asthma.

No one organisation can tackle a problem like stopping asthma attacks and curing asthma alone. Partnership is a critical part of how we strive to improve things on behalf of people with asthma.

We are continuing our efforts to raise awareness of the importance of taking preventative inhalers to increase resilience at times of seasonal assaults. After all our hard work promoting the importance of action plans, we were pleased to see the numbers of people with them increase by 70%. Whilst there are many people and organisations involved in caring for people with asthma, the increased reach of our support and advice service in 2017-18 must have also played their part.

Over the last two years we have sought to broker ambitious collaborations and ensure asthma is further up other funders agendas. We use our “soft power” to convene very high-level meetings – all to get the best brains and resources to solve the most pressing asthma priorities. This year we were delighted to see this work pay off, with major collaborations in asthma research to the tune of £323,000, plus co-funding from Innovate UK for our diagnostics research call to the tune of £500,000.

None of this is possible without the generosity of our supporters. One of my favourite days of the year is the London Marathon - meeting runners and hearing why they support Asthma UK is very motivating. It is a difficult financial climate and we have constantly challenged ourselves to test, learn and refine new ways to engage our supporters in the way they want to be engaged.

These are times of great change, but I would like to assure those who place their faith and hard-earned money with us that our small and dedicated team strive every day to stop asthma attacks and cure asthma.



Kay Boycott
Chief Executive

Our impact in 2017-18

In 2017-18 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

Anybody with asthma knows how the seasons can affect your asthma – with a vicious winter followed by an unusually hot summer we saw the impact on asthma symptoms. We have honed our seasonal communications over a number of years to alert as many people as possible to potential triggers and provide advice to keep them safe. For example, in summer we secured 678 pieces of media coverage with our health activation messaging. In September, we reached an audience of 35 million with our Back to School media coverage, linked to an integrated online campaign to help parents protect children with asthma from seasonal asthma attacks.

We also kept the need for better basic care in the public eye. Our Annual Asthma Survey data resulted in over 100 pieces of media coverage and have highlighted tragic deaths from asthma attacks to show that basic care isn't taken seriously enough.

Our asthma nurses moved onto another new channel using the Facebook Live service, answering questions from viewers on live video to support more self-management.

Reimagine asthma self-management through digital innovation

In March 2018 we launched a WhatsApp service as a new channel for people to contact our helpline nurses. The channel has been hugely popular, especially with younger people, and by the end of September we had already held over 1,000 conversations giving personalised advice to people with asthma.

Over 600 people have now signed up for our Asthma Support Programme, a digital service delivered across multiple channels that supports people to adopt good asthma control.

We created a comprehensive and user-friendly digital video product to help people with asthma improve their inhaler technique, with 23 videos showing specific inhalers and videos, fully endorsed by the UK Inhaler Group. This will be rolled out during 2018-2019.

We have been working hard to build an understanding of innovations to help people with asthma, and have now talked to 100 innovators, advising them to help ensure their products and innovations are what people with asthma really want and need.

Demand improvement in the NHS for people with asthma

The autumn of 2017 saw the launch of the new National Institute for Health and Care Excellence (NICE) guideline on the diagnosis, monitoring and management of chronic asthma which we hope will drive better and more consistent asthma management across the NHS in England and Wales.

This year we continued to ensure that the unmet needs of people with severe asthma were heard during the NICE consultation on benralizumab, a new form of treatment for severe eosinophilic asthma. This contributed to a successful draft decision to approve the new drug as an alternative for this group of patients which is another huge success that could transform the lives of people with severe asthma who currently rely on oral steroid tablets.

The Care Quality Commission is now using asthma medication monitoring as a yardstick for evaluating the quality of digital health services. In June we published another report, '[Slipping through the net: the reality facing patients with difficult and severe asthma](#)' which was based on interviews and surveys with healthcare professionals and which highlighted variation in referral thresholds and access to specialised care and new treatments. The report was publicly very well received and appreciated by NHS England and will form the basis for driving further service improvement in the NHS for people with severe asthma.

Results from our Annual Care Survey showed a slight upward trend in the provision of basic care,

In the past year

6,000



6,000 people called the Asthma UK Helpline

158,520



158,520 Asthma Actions Plans downloaded

15,000



Over 15,000 WhatsApp chat advice messages exchanged

with 35% of respondents receiving all three elements of care. This, however, still means that the majority of people with asthma in the UK do not receive the basic level of care – an estimated 3.5 million people.

We also asked people with asthma more broadly about their attitudes to the very topical issue of data-sharing. This led to our publication of a report (May 2018) on data sharing and technology: [‘Exploring the attitudes of people with asthma’](#), which was accompanied by several media articles. This important work was recognised at ministerial level and has almost certainly influenced the new Secretary of State for Health and Social Care who has referenced asthma as a great example of how data sharing can be used to ensure hospital records are linked to local GPs to save lives. By demonstrating the case for data sharing and the appetite amongst people with asthma to enable improved care and research, we contributed to the positive public debate about data sharing and established fertile ground for the development of new data-driven technologies that could transform asthma self-management.

SPEED UP RESEARCH AGAINST THE BIGGEST ASTHMA PRIORITIES

Broker ambitious research collaborations

We continue to seek more innovative partnerships with funders to drive greater investment in the asthma research priorities set by the European Asthma Research and Innovation Partnership. One priority is accurate, low-cost diagnosis. Following last years’ successful diagnostics event (July 2017) with the Knowledge Transfer Network, Innovate UK agreed to co-fund a research funding call jointly with Asthma UK leveraging in an extra £0.5m to research. We have awarded three research grants to develop low cost diagnostic tests for asthma, with a second funding round planned for 2019.

Together with Scotland’s Chief Scientist Office, Asthma UK jointly funded an innovation grant round to explore novel applications of digital technology in asthma. We have awarded two grants which could significantly enhance the quality of health and care for people with asthma in Scotland.

Asthma UK is increasingly working in partnership to drive patient-centric research and has directly influenced £5.5m investment in asthma this year. Asthma UK supported four research programmes, from different funding streams within the National Institute for Health Research, which have been successfully funded.

Throughout, Asthma UK continues to ensure that the patient voice is embedded in research. Two such examples are myAirCoach, an EU funded project and RASP-UK, a £4.8m research programme in severe asthma funded by the MRC. The perspectives of people with severe asthma have been integrated throughout the lifetimes of the two projects via patient forums co-ordinated by Asthma UK.

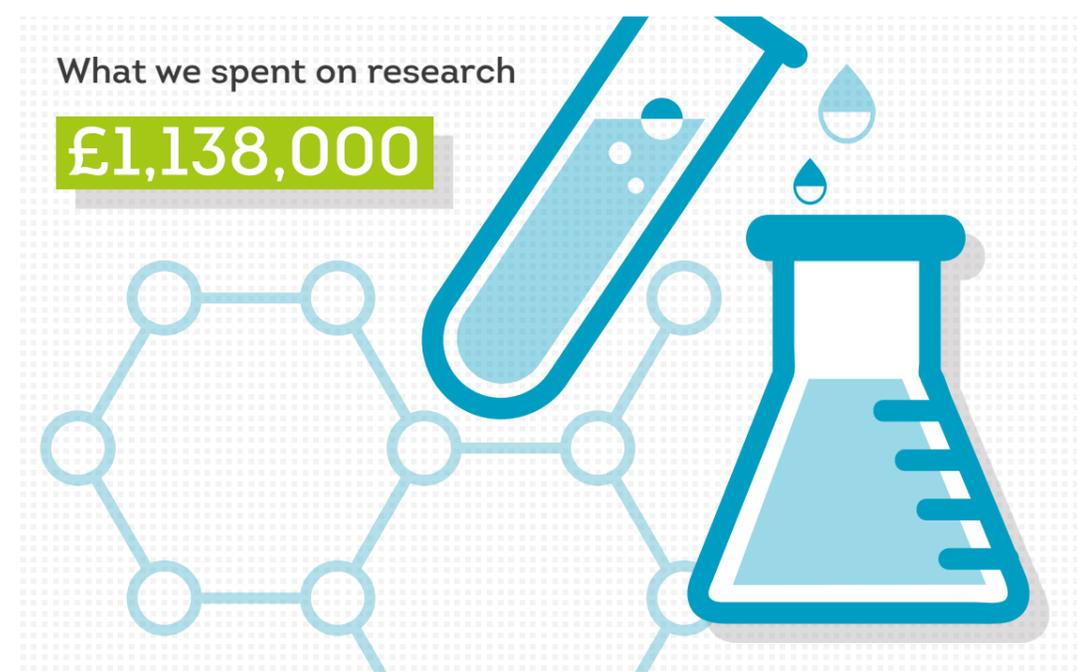
Invest in exceptional patient-centric science

We continue to support our two centres; the Asthma UK Centre for Allergic Mechanisms in Asthma and the Asthma UK Centre for Applied Research, both of which continue to report successes in terms of high quality scientific publications and a growing impact on health policy and practice.

Asthma UK funded scientists have published the results of numerous studies that are driving forward the understanding of asthma. This is taking us closer to new treatments and cures for asthma. For example, we found that teenagers find asthma embarrassing and it could stop them from using inhalers which is important when trying to optimise self-management in that group. A team from the University of Leicester has identified variations in lung tissue samples that for the first time can help distinguish people with

mild asthma from those with moderate or severe asthma. Researchers at the Asthma UK funded Centre for Allergic Mechanisms in Asthma have shown how grass pollen allergen binds to antibodies, thereby increasing our understanding of how a common allergen can make you prone to allergies and asthma, and the paediatric team at the Centre has transformed the Asthma UK paper Asthma Action Plan into an interactive, intelligent tool to aid the achievement of effective self-management and taken a vital step in realising smart, connected asthma care.

Following a rigorous external review process Asthma UK has agreed in principal to renew the funding for Asthma UK Centre for Applied Research (AUKCAR) for a second five-year term. AUKCAR has firmly established a vibrant UK-wide Centre, comprising 13 of the UK’s best applied asthma research groups, committed to pursuing a ‘Team Science’ approach with the ultimate aim of improving outcomes for people with asthma.



In addition to Asthma UK's £2m funding, AUKCAR has leveraged additional >£22m in grant funding from blue-chip sources, including National Institute of Health Research (NIHR) Programme Grants, the Department of Health, Medical Research Council (MRC), Wellcome Trust (WT), and the Chief Scientist Office (CSO) exceeding their stated target of securing £10 for every £1 invested by Asthma UK in the Centre.

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

Develop a sustainable asthma fundraising model for a digital world

Asthma UK is reliant on voluntary donations and without the generosity of our supporters we simply couldn't carry on our work to stop asthma attacks. In this uncertain economic climate charities have also been challenged to ensure they carry out their work to the highest possible standards. Asthma UK invests in fundraising to ensure we continually improve our supporter care while constantly challenging our internal effectiveness so that we can make the most of every penny raised.

One of our aims for 2017-18 was to test, learn and refine new fundraising products and approaches to fit with the changing data and digital landscape. As a result, we have benefited from new revenue streams in 2017-18. The introduction of Facebook's 'donate' button has created a completely new income line for Asthma UK, resulting in an increase of 43% in individual online donations in 2017-18. In 2017-18, digital channels have been used to complement our core income generating activities. We have invested in

an in-house paid social team and reached over 4.8m people this year. We have also increased our email activity to engage with our supporters, resulting in a more cost-effective way to reach donors.

We are continuing to invest in refining fundraising products, as we attract new lottery players and continue to encourage players to engage with their asthma. After a year of significant investment, the Asthma UK lottery has grown by 39% year-on-year. We are particularly proud that 42% of players have gone on to take the asthma risk test.

This year we have had our most successful London Marathon to date as we have continued to refine the experience for participant donors. This has been a combination of testing new digital recruitment channels and stewardship improvements via email and online social groups.

Advance Asthma UK's agility and productivity

Being able to quickly respond and adapt to technological advances, the external landscape and the needs of people with asthma is critical to our success. Our investment in new roles in relation to customer experience reflects our commitment to putting people with asthma at the heart of what we do.

In the lead up to the implementation of new data regulations in May (GDPR), we overhauled our data management to ensure that we not only meet the requirements of the new legislation but, critically, the expectations of our supporters. Our practice was validated by an external review. We have continued

to scrutinise data flows with third parties, to ensure supporter data for which Asthma UK is responsible is managed and protected appropriately. We improved business intelligence reporting during the year to drive insight through effective use of data. We continued to build our cyber security with particular focus on employee awareness given that cyber-attacks are often enabled by the 'human factor'. A majority of our computing infrastructure and storage was transferred to a Virtual Data Centre during the year both for efficiency and risk mitigation.

To further support the existing high levels of collaboration between teams, we have invested in leadership development using agile tools and techniques to support a more flexible and adaptive way of delivering projects.

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The introduction of Facebook's 'donate' button has created a completely new income line for Asthma UK, resulting in an increase of **43%** in individual online donations in 2017-2018.
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For every pound we spent...



- 35.6p was reinvested in fundraising to make another £1
- 64.4p 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

Asthma UK is a company limited by
guarantee, and a registered charity

Strong governance and management are critical to our success and reputation. We have a governing Council that takes overall responsibility for the Charity and our work. It is responsible for ensuring we are effectively and properly run and that we meet our goals as a Charity. Our Council is responsible for:

- Furthering our overall purpose, as set out in our governing document, and setting our direction and strategy.
- Ensuring our work is effective, responsible and legal.
- Safeguarding our finances, resources and property and ensuring they are used to further our purpose.
- Being accountable to those with an interest or stake in what we do or who regulate us. Establishing clear boundaries with the staff and volunteers who carry out our work between the governance role of the Council and operational or day-to-day matters.
- Ensuring the Council operates effectively.

By establishing good governance at Asthma UK we ensure:

- Compliance with laws and regulations.
- That our organisation is well run and efficient.
- That problems are identified early and dealt with appropriately.
- That we achieve impact and that the objectives of the Charity are advanced.

With our Trustees we have ensured we are substantially compliant with the Charity Governance Code. The Code asks charities to “apply or explain”. The following are areas where we have not applied the Code’s provisions and why we have taken that decision:

- Although there are currently 12 Trustees, in line with the Board size recommended by the Code, the Charity’s Articles allow a larger Board with a maximum of 16 Trustees. We undertake a variety of activities, many of which are in the context of a rapidly changing external environment and some flexibility in securing the necessary range of expertise and experience to draw on is valuable.
- The Board reviews its performance, including undertaking a skills audit, and the performance of individual Trustees every two years. An external facilitator is used annually to coach the Board in achieving high performance. Additional external review every three years, as recommended in the code, is not currently considered necessary but will be kept under review.
- Formal targets for diversity of the Board are not set. Diversity is always considered in Trustee recruitment including how to attract candidates with different backgrounds and experiences and this was done for the current year’s intake.

Our approach to Fundraising

We are aware that the ways in which people choose to give are changing. Innovation in this area is critical to ensure that we remain relevant and financially viable. We know that it will take time to develop new fundraising initiatives and have already identified some key areas of improvements and investments to enable this change to happen. We need to ensure the focus remains on supporters (often referred to as users in a digital world) by ensuring Asthma UK are present and engaging at the right time, at the right place with the right compliance and with the right proposition to set us up for success. With the changing behaviours and preferences of current and potential supporters we need to evolve our fundraising model.

Participation in fundraising regulation and our compliance with codes

We aim to meet best-practice guidelines in how we fundraise from our supporters. We monitor regulatory developments to ensure these standards are maintained, and our fundraising activity is open, legal and fair. We are registered with the Fundraising Regulator and our Fundraising Promise is posted on our website. We obtained appropriate consents from 83,500 people to process their data in line with new data regulations (GDPR) ahead of the May 2018 deadline. We take our supporters' requests and the protection of their personal data very seriously. We never sell their data and our supporters can change their communication preferences at any time.

How we protect vulnerable people

All staff follow best-practice guidelines for dealing with vulnerable people and our Policy for Fundraising Communications with Vulnerable Supporters is available on our website. Tragically many of our

supporters have lost a friend or loved one to an asthma attack and in March 2018, we provided refresher training to staff who have direct contact with people bereaved by asthma. Our Safeguarding Policy aims to ensure that in all of Asthma UK's activities are considered with the safety and wellbeing of individuals and groups in mind and appropriately acted upon at times to protect those 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 again employed 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 10.9m. This is significantly up on last year as we have now included our online volumes. We have received 60 complaints. In 2018 a complaint was upheld by the Fundraising Regulator regarding the delivery of a clothes recycling bag in aid of Asthma UK. The ruling stated that the contractual arrangements with the third-party clothes collector did not allow sufficient monitoring by Asthma UK of the company acting on Asthma UK's behalf, e.g. where bags were dropped in practice. The contract with the company was terminated in year.

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 12 of these requests from 1 October 2017 – 30 September 2018.

How our volunteers support us

Asthma UK has a number of committed and active volunteers, many of whom have a personal connection to asthma. Our 220-strong group of Research and Policy Volunteers are people with experience of asthma. They help us shape and support research projects through deciding which questions are most important to people with asthma, and what research will have the biggest impact on their quality of life. Through various activities including reviewing research applications, attending internal and external meetings and commenting on ethical and consent processes, our volunteers help improve the quality and the quantity of the research that gets funded. Our Lay Advisory Panel, made up of people with asthma, meets during the year and 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 with asthma. Our Council of Healthcare Professionals are professionals who directly deliver care to people with asthma in the NHS. They advise us on strategic issues and

guide us on getting the greatest impact for people with asthma. Our Research Review Panel consists of independent experts who meet to review grant applications and make recommendations to Council for funding.

We are extremely grateful to every one of them for giving up their time and for their commitment to Asthma UK.

Thank you

Thank you to all our supporters for your extraordinary generosity. You have helped us to make a real difference to the lives of people with asthma over the past year. This includes all trusts and corporations, those that wish to remain anonymous and those who have kindly left us a gift in their Will. A special thank you must go to our Patron and our President for their unstinting support:

HRH The Duchess of Gloucester, GCVO
Patron

The RT Hon Sir John Major, KG, CH
President

Our aims for 2018-19

Stop asthma attacks. Cure asthma.

Improve asthma management where delivered

Inspire people with asthma to make a positive change

- Carry out research to better understand the complex needs of those at high risk of asthma attack, people with severe asthma, and the relationship between asthma and daily life.
- Improve resources to help people with asthma at key times, including asthma attacks, pollen season, winter peak, and change in medication.
- Develop digital products to support the parents of children going through the asthma diagnosis process, and to support children with asthma to be more active.
- Continue to optimise our use of media and digital channels to keep asthma at the forefront of people with asthma's minds.

Re-imagine asthma self-management through innovation

- Continue to innovate with our Services team, delivering seamless service across multiple channels including phone, email, text messaging and WhatsApp.
- Create new digital resources to support people with severe asthma.
- Build on the success of our Asthma Support Programme, co-creating improvements with people with asthma.
- Define priorities for asthma digital innovation and share these with the innovation community to stimulate new innovations for the benefit of people with asthma.

Demand improvement in the NHS for people with asthma

- Champion promising new severe asthma treatments for adoption in the NHS, challenging the system to identify and prescribe approved treatments to all those entitled to benefit.
- Push uptake of data driven technology tools to identify those at high risk of asthma attack and target care and support where needed most.
- Work in partnership to stimulate real world testing for the safe and effective implementation of smart inhalers in the UK.
- Contribute to public debate and policy developments surrounding the collection, usage and ownership of health data in the UK to minimise risk and maximise benefits for people with asthma.

Speed up research against the biggest asthma priorities

- Fund world-class basic and applied science through the Asthma UK Centre in Allergic Mechanisms of Asthma and the Asthma UK Centre for Applied Research.
- Fund the next generation of asthma researchers through an open grant.
- Stimulate investment, partnership and co-funding opportunities against the defined asthma research priorities to increase the research spend for asthma and contribute to plugging priority research gaps.
- Seek opportunities for Asthma UK to expand involvement and add value as a research co-applicant
- Purposefully use funding to stimulate research into technology-enabled asthma management.

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

Develop a sustainable asthma fundraising model for a digital world

- Continue to test, learn, refine and scale effective fundraising products, campaigns and approaches to engage our primary asthma audience.
- Develop our end to end supporter experience through all channels and across all audiences.
- Test a new operating model for partnerships and philanthropic funding.
- Review our approach to data and insight to inform our fundraising portfolio decisions.
- Invest in new skills to keep pace with changing needs.

Advance Asthma UK's agility and productivity

- Continually review and invest in the capabilities and most efficient resourcing model required to deliver our mission.
- Ensure the value of data held outweighs the cost of its compliant capture and management.
- Protect our resources through robust information governance, cyber security and risk management.
- Deliver an upgraded HR management system to better support employees and reduce time spent on administration.

Financial Review

We spent £7.4m in pursuit of our mission: to stop asthma attacks and cure asthma.

Overview

	2017-18	2016-17
	£'000	£'000
Gross income	7,840	7,950
Gross expenditure	7,359	7,139
Net income / (spend) before investment gains	481	811
Gain in value of investments	931	315

How we spent our money

Total resources expended were £7.4 million, £0.2 million more than the previous year. Increased investment in fundraising activity was offset by slightly lower spend on charitable activity.

Expenditure on advice and support for people with asthma increased by £0.1 million to £2.7 million. We continue to invest in digital services to better meet the needs and preferences of our beneficiaries. We completed a series of inhaler technique videos for full launch in 2018/19, launched a WhatsApp service for advice seekers to access our specialist nurses and continued to refine our advice 'journeys' through our website and social media platforms to ensure these continue to deliver to beneficiary need.

We spent £0.4 million on research grants in the year (2016/17 £0.6 million) in a joint funding round with Innovate UK who contributed an additional £0.3 million to the awards. The grant round was targeted at diagnostics of asthma and, whilst three grants were awarded, not all the funding was utilised and £0.4 million will be carried forward as a designated reserve. This will be spent on a second grant round, targeted at diagnostics, and will be supported with funding from Innovate UK. This spend excludes the investment in our research Centre's, where the awarded grants are spent over a period of five years. Our five-year investment in the Asthma UK Centre in Allergic Mechanisms of Asthma was last renewed in September 2016. We spent £0.04 million on research collaboration with the Chief Scientist Office, Scotland as part of our ambitions to stimulate investment into innovative solutions for asthma self-management.

Spend on Improving Care increased by £0.1 million to £0.9 million. We published reports during the year on Smart Asthma, outlining an approach to using data and technology in connected devices to reduce asthma attacks; on Connected Asthma analysing the opportunity for technology to drive improvement in asthma management; on Severe Asthma, recommending actions to be taken to improve outcomes for people with severe and difficult asthma; and on Data Sharing and Technology, with conclusions from a survey on data-driven healthcare. All these are targeted at influencing health policy.

We spent a total of £2.6 million on activity to raise funds (2016/17 £2.3 million). The majority of this spend was focused on activity to generate funds in year, with some investment spent on attracting supporters who will donate regularly over a longer term. This is necessary for future financial sustainability to diversify income away from current legacy reliance.

Support Costs

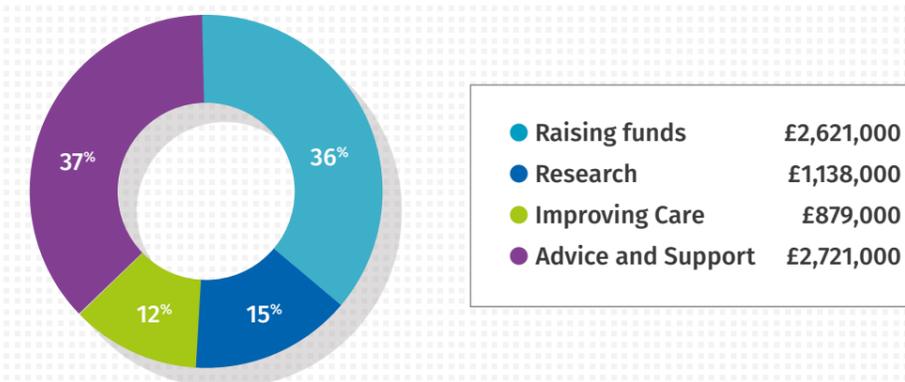
Support costs include the Finance, Human Resources, and Information Systems teams. Support costs were £0.8 million, in line with prior year. We continue to scrutinise spend on support costs to ensure we are spending effectively and services are efficient. Regulatory and compliance requirements continue 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, corporates 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.

How we used your money



We increased our investment in fundraising in the year by £0.4 million to £2.6 million to diversify our portfolio. This is a continuation of our investment in lottery activity with the aim of increasing regular donations and reaching new supporters and beneficiaries. We have tested different acquisition models during the year and continue to refine our marketing and stewardship to deliver best value from the investment.

Total incoming resources for the year were £7.8 million (2016/17 - £8.0 million). Legacies received were £3.6 million, £0.6 million higher than prior year.

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 2018

amounted to £2.6 million, £1.2 million higher than the same period last year. This 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, £0.2m lower than prior 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 £2.2 million (2016/17 £2.1 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 stated 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 £0.3 million in the year, £0.1 million less than prior year, mainly due to funding to support the 12 Week Asthma Support Programme coming to an end. 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 £0.2 million lower than prior year at £0.1 million. This was planned for as our asthma research funding campaign with a consortium of pharmaceutical companies ended. Additionally, we continued to benefit from £0.2 million Gifts in Kind from the Google Grant programme to support our online marketing (2016/17 £0.3 million).

Unrealised gains on investments were £0.9 million, significantly higher than the prior year (2016/17 £0.3 million).

Balance Sheet as a result of positive market movement

Our balance sheet has strengthened over the past year with total consolidated reserves increasing by £1.4 million, from £7.9 million to £9.3 million. During the year, Trustees agreed further plans for spending from reserves above the agreed range and £2.7 million has been designated in the balance sheet at 30 September 2018 in respect of these projects

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

to accelerate development of our digital services. Additionally, £0.4 million has been designated for the second research grant round targeted at diagnostics in asthma, to be run in partnership with Innovate UK. These designations, partly enabled by the net surplus for the year, resulted in a decrease in free reserves of £0.6 million to £5.1 million.

Subsidiary's performance

Asthma Enterprises Limited (AEL) is 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.

This year's turnover was £69,000 (2016/17 £242,000) while the operating profit (before the transfer to Asthma UK) was £32,000 (2016/17 £191,000). The decrease in turnover and operating profit was due to the conclusion of our two year research investment campaign. 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



158,520 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 high reserves, Trustees have set an operating deficit budget for 2018/19 of £2.8 million. This is made up of a core budget surplus from ongoing activity of £0.8 million to repay reserves in respect of investments in our two research centres, offset by the £2 million planned investment in our applied research centre and £1.6 million spend on specific projects, additional to core activity and which will be funded from excess reserves.

The budget for 2018/19 does not assume any investment gains either in the budget year or the year just finished. During the year, the Trustees will consider spending plans additional to those budgeted to use investment gains and operating surplus arising during 2017/18, and which contribute to reserves above the agreed range.

Prudent assumptions have been made in setting the budget, reflecting challenges in fundraising and dependence on voluntary donations, as well as in expenditure given new digital activity utilising new resourcing models. The Trustees recognise the risks inherent in the financial plans but are confident there are sufficient mitigations for the budget to be achievable.

Fundraising against a backdrop of uncertainty in the economy continues to be challenging. We will continue to increase the number of ways in which supporters can donate using digital channels efficiently and cost effectively. We will seek new funding sources for our developing digital health products. We will continue to invest in digital channels to provide personally relevant health advice to many more people with asthma, by effectively leveraging technology and improving our insight

into how to best reach potential beneficiaries who may not otherwise access our support.

Recruitment of staff with the specialist skills necessary for development of our digital health products continues to be challenging in a very competitive skills market. We have evolved our resourcing model in response, buying in expertise for limited terms for specific project stages. We have broadened the sectors from which we recruit to increase the pool of potential candidates for vacancies when they arise.

Review of reserves

At the end of the year our total funds stood at £9.3m, of which restricted and endowment funds were £1.0m and unrestricted funds were £8.3m.

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 has 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 at Note 17.

The Trustees have set a target range for free 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.

“
In April 2018, 248 runners completed the hottest London Marathon on record to raise an amazing **£500,000** for Asthma UK (up 9% on last year). Half of these inspirational runners had asthma themselves.
”

During the year, the Finance and Audit Committee reviewed both the methodology and the calculation of target reserves and recommended a target range for approval by Council of £1.4 million to £2.1 million. The decrease compared with prior year reflects the impact of funding two research centres from reserves.

Free reserves at the year-end have decreased by 0.6 million to £5.1 million as described above (Balance Sheet section). This is above the upper range agreed by Trustees primarily as a result of unrealised investment gains in the year of £0.9 million and the operating surplus £0.7 million higher than had been budgeted. The Trustees will consider plans for spending the excess reserves during the coming year.

Endowment and restricted funds

Endowment and restricted funds at the end of the year amounted to £1.0 million (2016/17 £1.0 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 2018 the level of this fund was £0.1 million (2016/17 £0.1 million).

Funds of £3.1 million (2016/17 £1.1 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. Of this, £1.6 million is expected to be spent during 2018/19. 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 (ie 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 invested in 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 8.9% compared with the comparative index of 6.8%. 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 2018 the fund asset allocation was 83% in equities and 17% in cash and bonds.

Interest and dividend income in the year from investments and bank deposits amounted to £288,000 (2016/17 £295,000). Unrealised gains on investments were £931,000 (2016/17 £315,000).

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 oversees Asthma UK's risk-management strategy and monitors the risk-management process. Council receives reports on overall risks and in-depth analyses of specific risks.

There is a formal risk-management process in place to allow Trustees and management to assess business risks and implement strategies to manage them where appropriate. The risk register is reviewed quarterly by the Senior Leadership Team and reported to the Finance and Audit Committee with a 'deep dive' into a key risk at each meeting.

Strategic risks facing the Charity are identified and the potential impact and risk appetite assessed. Potential risks underlying each strategic risk are identified along with mitigating actions and future events which may impact on either the likelihood of the risk materialising or its impact.

Each risk has an identified Director with lead responsibility for oversight of it. The four key risks identified through this process are set out in the column to the right, together with the mitigation and future actions in place against each one.

The Strategic Report was approved and signed on behalf of the Trustees on 4th March 2019.



John Tucker
 Chair, Asthma UK

Risk	Basics of asthma management and access to effective treatments are not provided within 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.
Mitigation	Annual care survey awareness raising; investment in new self-management support products and services in consultation with users; provision of advisory service to asthma innovators; NHS partnering; investment in user and customer experience.
Future actions	Seek more partnerships; investigate alternative funding sources for digital innovation to scale development.

Risk	Failure to recruit and retain people with the skills and experience at acceptable cost to deliver our strategy.
Mitigation	Analysis to identify capability gaps in short and medium term to inform strategy and plans; thorough and honest recruitment process; comprehensive induction programme; use of contractors and third parties; regular pay benchmarking and review of reward policy; investment in development; staff pulse surveys.
Future actions	Continued evolution of technology infrastructure to increase automation; changing internal processes and ways of working.

Risk	Over reliance on legacies to fund the Charity's activities and / or poor return on fundraising investment.
Mitigation	Investment in digital fundraising and new activity to engage donors; robust business intelligence; investments held in pooled fund with clear risk profile; reserves policy based on income and expenditure risk; changed major supporter model.
Future actions	Improved customer experience to inspire beneficiaries to financial support; grow opportunities for investment in digital health; offer more varied digital tools by which supporters are able to donate; test new fundraising approaches.

Risk	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.
Mitigation	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.
Future actions	Broker multi-national collaborations; further develop opportunities for recruiting people with asthma to clinical trials.

Trustees' Report

Our structure, governance and management

Council sets the 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 to 29.

Structure and management

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.

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

Council

Council sets strategic direction and ensures the Charity achieves its objectives. It oversees governance and is 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 has agreed a schedule of matters reserved to Council that includes approval of annual budgets.

It delegates operational responsibility for the Charity's activities to the Chief Executive and Senior Leadership Team and provides advice, guidance and support on an ongoing basis. Council comprised of 12 Trustees as of 30 September 2018 and met five times during the year, including an Away Day. It is supported by a number of committees to which it delegates certain authorities.

Trustees

The Council may comprise up to 16 Trustees, ten of whom must be directly elected by members and up to a further six who may be co-opted by Council. Elected Trustees serve for a three-year term and are eligible to stand for a second three-year term, after which their term must end unless they are serving as honorary officers of the Charity. In that case they may 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 serve a term of three years, or a shorter period if Council so decides. After three years co-opted Trustees must stand down, although they remain eligible to stand for election. Council also has 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.

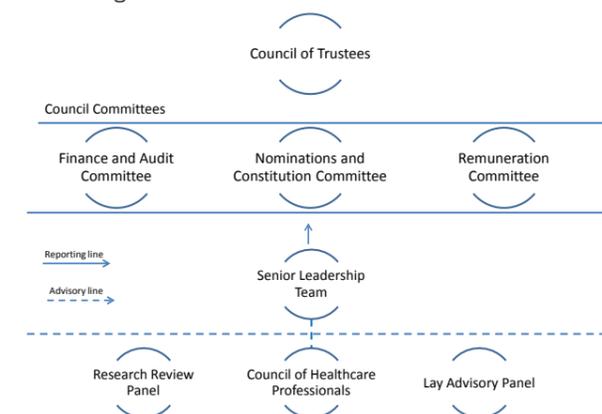
All Trustees must be members of Asthma UK and receive no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

The Nominations Committee meets regularly to review the composition of the Council of Trustees and acts on any upcoming vacancies. Trustee vacancies are advertised externally unless there are specific skills Asthma UK is looking for. On occasion, the Nominations Committee may identify and approach individuals thought to have the right skills, and invite for application to the Board. New Trustees are formally appointed by Council.

New Trustees are given a tailored induction providing them with information about Asthma UK and their duties as Trustees and Directors. They are encouraged to become involved in the Charity's activities and sub-committees, using their skills and experience, and attend other events held by the Charity so that they become informed and fully involved in all aspects of its work. See pages 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 non-financial 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 2017-18 was £562,000.

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 2.97 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 2017-18 the following served on at least one of Asthma UK's Research Review Panels:

- Professor Patrick Bindels
- Dr Edward Blair
- Professor Pascal Chanez
- Mr Tony Davis
- Professor Ratko Djukanovic
- Dr Shona Fielding
- Dr Stephen Fowler
- Professor Jonathan Garibaldi
- Dr Alasdair Gaw
- Mr Rod Greenhalgh
- Mrs Valerie Hudson
- Dr Gisli Jenkins
- Ms Surayya Khan
- Professor Monica Lakhanpaul
- Ms Toni Latimer-Gibson
- Dr Clare Murray
- Dr Mark Samuels
- Dr Dominick Shaw
- Dr Tony Soteriou
- Dr Omar Usmani
- **Professor Jorgen Vestbo (Chair)**
- Professor Andrew Wilson
- Professor Janelle York

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 2017-18 there were 19 members of the Council of Healthcare Professionals:

- Dr Hesham Abdalla
- Dr Noel Baxter
- Dr Toby Capstick
- Ms Grainne D'Ancona
- **Dr Louise Fleming (Chair)**
- Ms Natalie Harper
- Ms Sally Harris
- Dr James Hull
- Ms Lianne Jongepier
- Dr Adel Mansur
- Mrs Anne-Marie Marley
- Mrs Vivienne Marsh
- Dr Keith McCollum
- Dr Kris McLaughlin
- Dr Daniel Menzies
- Professor Anna Murphy
- Ms Amy Olley
- Professor Ian Pavord
- Mrs Deborah Waddell

“
Asthma UK funded
£1,138,000 million in
research in the UK last year
”

Trustees

Lay Advisory Panel

The Lay Advisory Panel is a group of 19 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 2017-18 there were 19 members of the Lay Advisory Panel

- Peter Dukes
- John Dyer
- Aaron Foulds
- Sara Hope
- Ben Jones
- Andrew Lockley
- Asif Malik
- Nicholas Marco-Wadey
- Zohra Meziani
- Kelly Murphy
- Tena Roberts
- Beverley Rose
- **Philip Seagrave (Chair)**
- Chandravadan Shah
- Rebecca Smith
- Caroline Smith
- Andrew Sowter
- Samantha Standley
- Gem Watson

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.

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 from 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.

Kate Clarke

Kate became a Trustee in 2012 and was Chair of the Remuneration Committee. She has a background in marketing, having worked at Mars Confectionery and Kraft Foods. She is keen to use her commercial experience to support and grow Asthma UK's fundraising. Kate retired as a Trustee in July 2018.

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 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.

Mary Leadbeater

Mary is a Chartered Accountant. After working in finance roles for the Royal Dutch Shell Group for 15 years she joined the NHS in 1994 as a hospital Finance Director. She has been a Trustee and member of the Finance and Audit Committee since 2012 and was co-opted as a Trustee from June 2015. She provides advice on financial management based on her experience gained as a board member of several healthcare and charitable organisations. Mary retired as a Trustee in July 2018.

Katherine Morgan

Katherine joined as a Trustee in July 2018 and is Director of Transformation at Fenwick. 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. He 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. Martin contributes to the charity providing advice on accounting, audit, risk and performance management issues.

Jane Tozer MBE OBE

Jane joined as a Trustee in 2011, and was a member of the Remuneration Committee, the Finance and Audit Committee and the Research Commercialisation Board. Jane's career was in the technology sector. She is currently Senior Independent Director at StatPro plc, Non-Executive Director at Nominet Ltd, Senior Independent Director at F&C Global Smaller plc, Non-Executive Director at her local Citizen's Advice Bureau, and a member of the Warwick Business School Advisory Board. Jane has also held directorships with various government departments. Jane retired as a Trustee in July 2018.

Professor Robert Wilson

Professor Rob Wilson was appointed as Chair in July 2009. He is a Consultant Physician, and Clinical Lead of Lung Infection at the Royal Brompton and Harefield Hospital. He is also an adjunct Professor of Medicine at Imperial College London. Rob retired as a Trustee in July 2018.

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

The review outlined above of our financial position, reserves and future plans gives Trustees confidence that Asthma UK is, and will continue to be for the foreseeable future, a going concern.

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 2018.

Auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. 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 4th March 2019.



John Tucker
Chair, Asthma UK

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 2018 which comprise the 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 2018 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 set out on page 38, 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

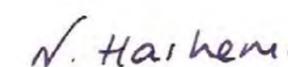
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

12th March 2019

Group Statement of Financial Activities

For the year ended 30 September 2018 (incorporating consolidated income and expenditure account)

		Group UNRESTRICTED FUNDS	Group RESTRICTED FUNDS	Group ENDOWMENT FUNDS	2018 TOTAL FUNDS	2017 TOTAL FUNDS
	Notes	£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and Legacies		7,017	341	30	7,388	7,161
Charitable activities		-	87		87	138
Other trading activities		77	-		77	356
Investments		256	32		288	295
Total Income	2(b), 3	7,350	460	30	7,840	7,950
Expenditure on:						
Expenditure on raising donations and legacies		2,621	-	-	2,621	2,266
Investment management costs					-	-
Total expenditure on raising funds		2,621	-	-	2,621	2,266
Net incoming resources available for charitable application		4,729	460	30	5,219	5,684
Charitable activities:						
Research		773	365	-	1,138	1,496
Improving Care		879	-	-	879	798
Advice and Support		2,551	170	-	2,721	2,579
Total expenditure on charitable activities		4,203	535	-	4,738	4,873
Total Expenditure	7a	6,824	535	-	7,359	7,139
Net gains on investments	12	826	-	105	931	315
Net income/(expenditure)		1,352	(75)	135	1,412	1,126
Transfers between funds		56	(56)		-	-
Net Movement in funds		1,408	(131)	135	1,412	1,126
Reconciliation of Funds:						
Fund balances brought forward at 1 October		6,922	208	803	7,933	6,807
Fund balances carried forward at 30 September	17	8,330	77	938	9,345	7,933

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 £453,000 (2017: Surplus £ 781,000)

Balance sheets

As at 30 September 2018. Company Registered Number: 02422401

		CONSOLIDATED		CHARITY	
	Notes	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Tangible assets	11	101	137	101	137
Investments	12	10,354	10,822	10,454	10,922
Investments - Cash		1,806	101	1,806	101
Total Fixed Assets		12,261	11,060	12,361	11,160
Current assets					
Debtors	13	420	656	463	884
Cash at bank and in hand		1,051	1,440	900	1,108
Total Current Assets		1,471	2,096	1,363	1,992
Creditors					
Amounts falling due within one year	14	3,077	3,135	3,069	3,131
Net current liabilities		(1,606)	(1,039)	(1,706)	(1,139)
Total assets less current liabilities		10,655	10,021	10,655	10,021
Creditors falling due after more than one year	15, 16	1,310	2,088	1,310	2,088
Net assets		9,345	7,933	9,345	7,933
Represented by:					
Funds					
Endowment funds to Support Research		938	803	938	803
Restricted income funds		77	208	77	208
Designated funds - fixed assets		101	137	101	137
Designated funds to support investment projects		3,090	1,075	3,090	1,075
Unrestricted funds	17	5,139	5,710	5,139	5,710
		9,345	7,933	9,345	7,933

Included in the group results are income of £7,770,000 (2017: £ 7,708,000), expenditure of £7,321,000 (2017: £7,028,000) and net movement in funds of £449,000 (£2017: 620,000) resulting from activities of the Charity.

The annual trustees' report and accounts including notes 1 to 23 were approved by the Trustees on 4th March 2019.

John Tucker
Chairman

Martin Sinclair
Chair of Finance and Audit Committee

Group cash flow statement

For the year ended 30 September 2018

	Notes	2018 £'000	2017 £'000
Cash flow from operating activities:			
Net cash provided by operating activities	(a)	(372)	(481)
Cash flow from investing activities:			
Dividends and interest from investments		288	294
Proceeds from sale of investments		1,400	-
Purchase of investments		-	(555)
Net cash provided by/(used in) investing activities		1,688	(261)
Change in cash and cash equivalents in the reporting period		1,316	(742)
Cash and cash equivalents at the beginning of the reporting period		1,541	2,283
Cash and cash equivalents at the end of the reporting period	(b)	2,857	1,541
Notes:			
(a) Net income/(expenditure) for the reporting period (as per statement of financial activities)		1,412	1,126
Adjustments for:			
Depreciation charges		36	49
Gains on investments		(931)	(315)
Dividends and interest from investments		(288)	(295)
Decrease / (Increase) in debtors		236	(58)
Decrease in creditors falling due within one year		(59)	(58)
Decrease in creditors falling due in more than one year		(778)	(930)
Net cash provided by/used in operating activities		(372)	(481)
(b) Analysis of cash and cash equivalents			
Cash in hand		2,857	1,541

Notes to the Group Financial Statements

For the year ended 30 September 2018

1. Charity Information

Asthma UK is a company limited by guarantee (registered number 02422401), 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 (FRS 102) 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 £7,770,000 (2017: £7,708,000) expenditure of £7,322,000 (2017: £8,421,000) and net movement in funds of £449,000 (2017: £620,000) 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

After making enquiries, the Trustees have reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Financial Review on page 20.

Notes to the Group Financial Statements

For the year ended 30 September 2018

(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 and/or cash received.

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 2018

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 bases 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 funds are monies set aside by 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 2018

(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 recognised within income and expenditure. Investments in subsidiary undertakings are 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 Charity held financial assets at amortised cost of £3,060,000 (2017: £1,974,000). Financial investments at fair value of £10,354,000 (2017: £10,822,000) and Financial liabilities at amortised cost of £4,387,000 (2017: £5,221,000).

Notes to the Group Financial Statements

For the year ended 30 September 2018

3. Income from:

	Group UNRESTRICTED FUNDS	Group RESTRICTED FUNDS	2018 TOTAL FUNDS	2017 GROUP FUNDS
	£'000	£'000	£'000	£'000
Income from Donations and legacies				
Legacies	3,601	-	3,601	3,041
Donations & Membership	2,045	122	2,167	2,108
Donations from Trusts	78	240	318	381
Donations from Community and Events Fundraising	1,109	9	1,118	1,347
Gifts in kind	184	-	184	284
	7,017	371	7,388	7,161
Income from charitable activities				
Grants	-	87	87	138
Income from trading activities				
Corporate Income	76	-	76	329
Health advice resources	1	-	1	27
	77	-	77	356
Income from Investments				
Income from Investment portfolio	256	32	288	294
Interest from Bank	-	-	-	1
	256	32	288	295
Total	7,350	490	7,840	7,950

Notes to the Group Financial Statements

For the year ended 30 September 2018

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

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales 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 2018 and the position of Asthma Enterprises Limited at 30 September 2018, before consolidation were:

	2018	2017
	£'000	£'000
Turnover	69	242
Cost of sales	(35)	(47)
Gross profit	<u>34</u>	<u>195</u>
Administrative expenses	(2)	(4)
Net profit for the year before Gift Aid donation to the charity	<u>32</u>	<u>191</u>
Gift Aid donation to the charity	(32)	(191)
Net profit for the year	<u>-</u>	<u>-</u>

Balance sheet

Current Assets	170	388
Creditors: amounts falling due within one year	(70)	(288)
Net current liabilities	<u>100</u>	<u>100</u>
Net assets	<u>100</u>	<u>100</u>
Share capital	100	100
Shareholders' funds	<u>100</u>	<u>100</u>

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 2018

5. Research

	2018	2017
	£'000	£'000
Awarded during the year	432	614
Grants written back	(2)	0
Total research grants charged in the year	<u>430</u>	<u>614</u>

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

6. Expenditure

	2018	2017
	£'000	£'000
This is stated after charging:		
Depreciation	36	49
Auditor's remuneration - audit work	27	25
Auditor's remuneration - other work	2	2
Operating lease - other	<u>194</u>	<u>199</u>

Notes to the Group Financial Statements

For the year ended 30 September 2018

7a. Analysis of total resources expended

	GRANTS TO INSTITUTIONS	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	2018 TOTAL	2017 TOTAL RESTATED
	£'000	£'000	£'000	£'000	£'000
Cost of generating funds:					
Fundraising costs	-	2,342	279	2,621	2,266
Investment management fees				-	-
		2,342	279	2,621	2,266
Charitable expenditure:					
Research	430	587	121	1,138	1,496
Improving Care	-	785	94	879	798
Advice and Support	-	2,431	290	2,721	2,579
	430	3,803	505	4,738	4,873
Total	430	6,145	784	7,359	7,139

7b. Allocation of support costs

	FINANCE	CEO	CO SEC	IT	HR FACILITIES	2018 TOTAL	2017 TOTAL
Fundraising costs	73	24	10	41	94	279	236
Research	32	10	4	18	41	121	114
Improving care	24	8	3	14	32	94	110
Advice and support	74	25	11	43	98	290	296
	203	67	28	116	265	784	756

Basis of apportionment: total support costs are allocated based on pro-rata staff salaries. No support costs are apportioned to investment management as the administration costs are considered negligible. Governance costs incurred in 2018 were £100,512 (2017: £100,616). 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.

Notes to the Group Financial Statements

For the year ended 30 September 2018

8. Employees

	2018 £'000	2017 £'000
Salaries	3,579	3,380
National Insurance contributions	349	335
Employer's pension contributions	202	204
	4,130	3,919

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

	2018	2017
£60,001 - £70,000	2	-
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1

The pension costs in respect of these employees amounted to £45,979 (2017: £27,208)

Number of staff (head count based on number of staff employed):

	2018	2017
Charitable services	47	42
Fundraising	24	26
Central services	17	15
Chief Executive Office	2	2
	90	85

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 and Director of People and Organisational Development.

	2018 £'000	2017 £'000
Total Remuneration of Key Management Personnel	649	553

Notes to the Group Financial Statements

For the year ended 30 September 2018

10. Trustees' expenses

None of the Trustees received any remuneration during the year. Trustees' total expenses during the year amounted to £2,690 (2017: £1,134). These expenses were incurred in respect of necessary duties carried out. Two Trustees (2017: two) received reimbursement of their travel costs totalling £578 (2017: £591).

The Charity maintains a liability insurance policy that includes indemnity cover for Trustees at a cost to the Charity of £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 2017	297	269	566	297	269	566
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 September 2018	297	269	566	297	269	566
Depreciation						
At 1 October 2017	160	269	429	160	269	429
Charge for the year	36	-	36	36	-	36
Disposals	-	-	-	-	-	-
At 30 September 2018	196	269	465	196	269	465
Net book value						
At 30 September 2018	101	-	101	101	-	101
At 30 September 2017	137	-	137	137	-	137

Notes to the Group Financial Statements

For the year ended 30 September 2018

12. Investments: consolidated

	2018 TOTAL INVESTMENTS £'000	2017 TOTAL INVESTMENTS £'000
Market Value as at 1 October 2017	10,823	9,953
Acquisitions	-	555
Sales Proceeds	(1,400)	-
Net investment gains/(loss)	931	315
Market Value as 30 September 2018	10,354	10,823
Represented by:		
Newton Income and Growth Fund for Charities	10,354	10,823
	10,354	10,823

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 2018 was £7,670,000 (2017: £9,070,000).

	2018 TOTAL £'000	2017 TOTAL £'000
Investments: Charity only		
Newton Income and Growth Fund for Charities	10,354	10,823
Investments : Share capital of AEL	100	100
Total Parent Charity Investments	10,454	10,923

At 30 September 2018 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 2018

13. Debtors

	CONSOLIDATED		CHARITY	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	109	166	95	111
Amounts due from Asthma Enterprises Limited	-	-	29	92
Income tax recoverable - Gift Aid	27	73	27	73
Other debtors	62	80	58	80
Prepayments	217	223	217	223
Legacy income accrued	5	114	5	114
Gift Aid from Subsidiary undertaking	-	-	32	191
	420	656	463	884

At 30 September 2018, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £ 2.6m (2017: £1.4m), which had not been accrued.

14. Creditors amounts falling due within one year

	CONSOLIDATED		CHARITY	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	413	103	411	104
Tax & Social Security	146	130	144	130
Research Grants Accrual	2,379	2,562	2,379	2,562
Other Creditors	86	102	86	100
Other Accruals	53	238	49	235
	3,077	3,135	3,069	3,131

Notes to the Group Financial Statements

For the year ended 30 September 2018

15. Creditors amounts falling due after more than one year

	CONSOLIDATED		CHARITY	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Research Grants	1,192	1,970	1,192	1,970
Other Creditors	118	118	118	118
	1,310	2,088	1,310	2,088

16. Grants

	2018	2017
	TOTAL £'000	TOTAL £'000
Balance as at 1 October	4,532	5,053
Grants awarded during the year	433	614
Grants written back	(3)	-
Payments during the year	(1,391)	(1,135)
Invoices received but not settled at year end	-	-
Balance as at 30 September	3,571	4,532
Research Commitments		
Awards falling due within one year	2,379	2,562
Awards falling due after more than one year	1,192	1,970
	3,571	4,532

Notes to the Group Financial Statements

For the year ended 30 September 2018

17. 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 2018

	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 2018

17a. Statement of Funds - 2017

		01 OCT 16	INCOME	EXPENDITURE	(DECREASE) / INCREASE IN INVESTMENTS	RE-ALLOCATION BETWEEN FUNDS	30 SEP 17
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Endowed funds to support restricted research							
Peggy Wells Memorial		70	-	-	3	-	73
Beryl Evetts	(a)	545	30	-	25	-	600
Margaret Mitchell Memorial		124	-	-	6	-	130
Endowment funds		739	30	-	34	-	803
Restricted funds							
Research							
Peggy Wells Memorial		-	3	(3)	-	-	-
Beryl Evetts		-	24	(24)	-	-	-
Margaret Mitchell Memorial		-	5	(5)	-	-	-
Research into Asthma	(b)	491	407	(883)	-	-	15
Community							
Information and Community Education projects		-	10	(10)	-	-	-
Education							
Adviceline including the Sarah Leonard & Polly Campbell Funds		58	46	(37)	-	-	67
Compare your Care Campaign and Severe Asthma Roundtables		113	-	-	-	-	113
Statutory Funding							
Asthma Attack Reduction Programme	(c)	22	122	(143)	-	-	1
European Funding							
European Asthma Research and Innovation Partnership (EARIP)		14	1	(15)	-	12	12
Total restricted		698	618	(1,120)	-	12	208
Unrestricted Funds							
Designated funds							
Fixed assets fund		185	-	(48)	-	-	137
Designated funds - Investment Projects	(d)	-	-	(68)	-	1,143	1,075
Non Designated funds							
General fund		5,185	7,302	(5,903)	281	(1,155)	5,710
Total unrestricted		5,370	7,302	(6,019)	281	(12)	6,922
Total funds		6,807	7,950	(7,139)	315	-	7,933

Notes to the Group Financial Statements

For the year ended 30 September 2018

- (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.

	UNRESTRICTED FUNDS	RESTRICTED & ENDOWMENT FUNDS	TOTAL
Fund balances as at 30th September 2017 are represented by:			
Tangible Fixed Assets	137	-	137
Investments	10,105	818	10,923
Current assets	1,903	193	2,096
Current liabilities	(3,135)	-	(3,135)
Non-current Liabilities	(2,088)	-	(2,088)
Total Funds	6,922	1,011	7,933

Notes to the Group Financial Statements

For the year ended 30 September 2018

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 2018 Asthma UK had annual commitments under non-cancellable operating leases as set out below:

	2018 LAND AND BUILDINGS	2018 OTHER	2017 LAND AND BUILDINGS	2017 OTHER
	£000	£000	£000	£000
Operating Leases which expire:				
Within one year	238	10	238	11
In the second to fifth years inclusive	930	-	950	-
Over five years	-	-	238	-
	1,168	10	1,426	11

Notes to the Group Financial Statements

For the year ended 30 September 2018

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.

Asthma UK has a trading subsidiary, Asthma Enterprises Limited - transactions in the year are as follows:

	2018	2017
Balance brought forward - owed by AEL to the charity	282,773	296,686
Gift Aided profit remitted to the charity	(190,947)	(296,579)
Monies relating to AEL received/paid by the charity (net)	(65,801)	89,219
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	31,702	190,947
Amount owing from Asthma Enterprises Limited to the Charity	60,227	282,773

Notes to the Group Financial Statements

For the year ended 30 September 2018

21. Grants awarded during the year

During the year the Trustees awarded the following grants:

Grant amount	Awarded to	Grant duration	Grant description
£000's			
126	Professor Hilary Pinnock	3 years	A clinical decision support system to improve asthma diagnosis in primary care: delivering a more accurate, personalised and understandable diagnostic experience.
142	Dr Clare Murray	3 years	Novel tests of small airway physiology and biomarkers for asthma diagnosis and predicting response to inhaled corticosteroids (ICS).
128	Dr Hitasha Rupani	3 years	A study of the N-TiDal B devIce in Asthma diaGNOSiS in routine clinical carE (DIAGNOSE)
7	Dr Douglas Cowan	1 Year	Actigraphy to identify a novel treatable trait in the precision management of difficult asthma associated with elevated body mass index.
30	Professor Hilary Pinnock	1 Year	Apps, devices and connected asthma: exploring potential, developing and refining prototypes and understanding practicalities to support self-management for people with asthma.
433			

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
	2018	2018	
	£ '000	£ '000	
Department of Health	52	53	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	23	34	To improve 18 - 25 year olds' ability to self manage their asthma through delivery of a non-emergency WhatsApp service.

Notes to the Group Financial Statements

For the year ended 30 September 2018

23. SOFA split for prior year (2017) between unrestricted and restricted

	Notes	GROUP UNRESTRICTED FUNDS £'000	GROUP RESTRICTED FUNDS £'000	GROUP ENDOWMENT FUNDS £'000	2017 TOTAL FUNDS £'000
Income from:					
Donations and Legacies	2 (b)	6,736	395	30	7,161
Charitable activities		-	138	-	138
Other trading activities		303	53	-	356
Investments		263	32	-	295
Total Income		7,302	618	30	7,950
Expenditure on:					
Expenditure on raising donations and legacies		2,266	-	-	2,266
Investment management costs		-	-	-	-
Total expenditure on raising funds		2,266	-	-	2,266
Net incoming resources available for charitable application		5,036	618	30	5,684
Charitable activities:					
Research		566	930	-	1,496
Improving Care		798	-	-	798
Advice and Support		2,389	190	-	2,579
Total expenditure on charitable activities		3,753	1,120	-	4,873
Total Expenditure	5a	6,019	1,120	-	7,139
Net gains on investments	9	281	-	34	315
Net income/(expenditure)		1,564	(502)	64	1,126
Transfers between funds		(12)	12	-	-
Net Movement in funds		1,552	(490)	64	1,126
Reconciliation of Funds:					
Fund balances brought forward at 1 October		5,370	698	739	6,807
Fund balances carried forward at 30 September	13	6,922	208	803	7,933

Company information

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Tavistock House
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Solicitors

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Investment managers

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Property advisers

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Asthma UK is a company limited
by guarantee.
Registered in England number 2422401.
Registered charity number 802364.
Scottish registered charity number SC039322.