

ASTHMA. WHO CARES?

ASTHMA UK
ANNUAL REPORT & ACCOUNTS 2014

LLAHNIE CARES

**“I CAN’T
PLAY RUGBY
WITHOUT
COUGHING AND
WHEEZING.”**

See page 11 for Llahnie’s full story



HELENA CARES

“ON A BAD
DAY I **STRUGGLE**
TO EVEN GET
OUT OF BED.”

See page 12 for Helena's full story



EDDIE CARES

**“I HAVE BEEN
ADMITTED TO
HOSPITAL
TWICE THIS YEAR
AND **LOST** TWO
WEEKS’ PAY.”**

See page 13 for Eddie’s full story



JACQUI CARES

**“WE TRAGICALLY
LOST OUR
BEAUTIFUL
DAUGHTER
HANNAH, WHO
WAS JUST 16.”**

See page 14 for Jacqui's full story



There are 5.4 million people with asthma in the UK. Every day, the lives of three families are devastated by the death of a loved one to an asthma attack, and tragically two thirds of these deaths are preventable.

WE CARE.

**Asthma UK is the only charity
dedicated to changing all this.**

**We're here for Llahnie, Helena,
Eddie, Jacqui and everyone else
whose lives have been shattered
by this debilitating but mostly
treatable condition.**

Strategic Report

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Our mission

Stop asthma attacks. Cure asthma.

People sometimes mistakenly believe asthma is 'sorted'. It's not.

In the UK today, every 10 seconds someone has a potentially fatal asthma attack. Every day the lives of three families are devastated by the death of a loved one to an asthma attack. Tragically, the majority of these could be prevented RIGHT NOW with the right basic care. Others still suffer with asthma so severely, current treatments don't work.

This has to change. That's why Asthma UK exists.

We fight asthma in three ways:



Fund world-class research

We've invested over £50 million into asthma research to date. We fund new avenues of asthma research and asthma scientists to develop better treatments and, ultimately, a cure which would transform the lives of people with asthma. New technologies and collaborations will increase the chances of scientific breakthroughs and we are determined everyone with asthma should benefit.



Campaign to improve quality of care

We constantly challenge complacency around asthma. We campaign and raise awareness of issues and solutions to ensure 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.



Provide expert advice and support

We help people to effectively manage their daily life with asthma by providing access to the best available information and advice, to reduce their risk of an asthma attack, through our website and our expert nurse helpline.

Why our work is so important

Every year around 1,200 people die from asthma attacks.

Everyone knows someone with asthma, and yet not everyone knows it can kill.

Our dedicated nurses and award-winning advice give people the help and support they need to understand and manage their condition better and to help ensure no one is hospitalised by, or dies from, an asthma attack. We're campaigning to change the face of healthcare for people with asthma so that asthma is taken seriously and appropriate care is available.

180

People, on average, are admitted to hospital for their asthma every day. That's one every 8 minutes.

5.4m

People in the UK have asthma.

3
People die from asthma every day in the UK.

2

Children in every classroom, on average, have asthma.

700

People, on average, in England are diagnosed with asthma every day.

£1bn

The estimated annual cost to the NHS of treating asthma.

We are making a difference

The ongoing help of our supporters has already helped us to **achieve so much.**

2014 was a critical year for **Asthma UK.**

Highlights

After years of planning we saw a hugely exciting development in research with the launch of the Asthma UK Centre for Applied Research. We also witnessed the publication of the National Review of Asthma Deaths, a report which clearly pointed to the need to end complacency about asthma, and ensured politicians and policy makers at the highest level across the UK sat up and took notice. This has all helped us lay foundations for some even bigger projects in the year ahead. Our strategy focused on one overarching goal – to prevent asthma attacks, especially those that result in death and emergency hospitalisation.

13 leading universities across the UK formed a unique collaboration with Asthma UK – the Asthma UK Centre for Applied Research.

23 scientists were leading asthma research projects across the UK directly funded from Asthma UK.



Over 24,000 schools can now legally carry an emergency spare asthma inhaler.

21 of the leading medical organisations supported the recommendations from the National Review of Asthma Deaths.



3,500 people with asthma were helped through our expert nurse helpline and 100,000s more on our website.

Health bodies across the UK committed to change as a result of our 'Compare Your Care' campaign.

In six months 25,000 people took our risk score test and a third changed their behaviour as a result.

Fundraising income was £9,315,000 this year.

Focus on research

Driving asthma research for treatment and a cure.

The aims of Asthma UK’s research strategy are to fund research which improves the lives of people living with asthma today and to reach towards the creation of asthma cures.

Our research strategy

We aim to fund the most cutting edge and important asthma research, increase the number of highly skilled asthma researchers in the UK, encourage and enable successful collaboration between scientists for the benefit of people with asthma and support the ongoing evaluation of our research achievements.

After four years of hard work our transformational research strategy is becoming a reality. There are now two centres of asthma research excellence, one tackling understanding the basic mechanisms of asthma through laboratory-based research and a new centre for Applied Research focused on putting innovation into practice. Asthma UK is leading the EU-funded European Asthma Research and Innovation Partnership (EARIP) and we are continuing our well established grant funding programme to drive innovation and grow new asthma research talent.

Asthma UK-funded research has already had a wide-ranging impact, from unravelling the intricacies of our immune system and identifying targets for new treatments, through to influencing clinical guidelines that inform the day-to-day practice of doctors and nurses across the UK.

Our research has also changed the way we think about the causes of asthma in childhood, it has shown that viruses are important triggers to most people with asthma, and revealed the diversity of severe asthma, stressing the need for new treatments.

There are so many exciting opportunities to reduce deaths and hospitalisations, speed up the discovery of new treatments and improve how people can manage their asthma on a daily basis.

The challenge

These are fantastic foundations, but there is still much untapped potential for asthma research. There have been only two new classes of drugs developed in the last 30 years – innovation has slowed and needs investment.

Currently it takes 17 years for innovation to get from the laboratory to help people with asthma – we need to halve that.

In the last few years new technologies, such as novel diagnostics related to a much greater understanding that ‘asthma’ is not one condition but many different types of wheezing illnesses, have emerged with huge relevance for asthma. More collaborative working both within and outside the asthma research community will be critical to providing new insight into the biggest challenges around asthma.

How we manage our research funding

Our Research Review Panel consists of 16 scientists with a diverse range of expertise to ensure that we fund only the highest quality research. The panel also includes six people with asthma as ‘lay’ panel members who have undergone rigorous Asthma UK training.

We’re on the cusp of major breakthroughs. Genetics and technology mean new scientific avenues are opening up all the time if only funding was available. We want to halve the time it takes to turn innovation in the lab to treatment for asthma.

“
We're on the cusp of major breakthroughs. If only funding was available.
”



For each £1 we invested in the Asthma UK Centre for Applied Research, we leveraged a further £5 into research from other sources.



Chairman's statement

My mother has severe asthma and I am a chest physician at the Royal Brompton Hospital.



My mother has severe asthma and so I have personal experience of the devastating effects of the disease on day-to-day lives, and whilst my son has well controlled asthma it does interfere with his sport. In my job as a chest physician I see how common asthma is, and how the spectrum of disease varies in just this way, at one end of the spectrum something which impacts on day-to-day life, but at the other is a life threatening problem. I am very passionate about our work at Asthma UK and excited about the breakthroughs we have achieved this year.

Our research is getting us closer to finding a cure for asthma, whilst our new Applied Centre is finding better ways of using the treatments that are already available. Our website and helpline provide advice and education to many thousands of people each month, and our campaigning is effective in making a difference as we showed with our spare inhalers in schools campaign and the National Review of Asthma Deaths. I chair the Council of Trustees who define our strategy and maintain the strong governance framework which is in place. We have a very committed team in Asthma UK who share my excitement about the progress we are making, and around the country many incredibly enthusiastic helpers and supporters who give their time so generously to our cause.

A handwritten signature in dark ink, which appears to read 'Robert Wilson'. The signature is written in a cursive style and is positioned above the printed name.

Professor Robert Wilson
Chairman

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 and accordingly we have a governing council that takes overall responsibility for our work. The Council is responsible for ensuring we are effectively and properly run and meet our goals as a charity.

Our Council consists of Trustees who work together and take overall responsibility for the charity. They are 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 us or those 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 law and regulation.

That our organisation is well run and efficient.

That problems are identified early and dealt with appropriately.

That we make a difference and the objects of the charity are advanced.

Our Council of Trustees is chaired by Professor Robert Wilson and is supported by committees and advisory groups. Additionally the charity's governance complies with the code for the Voluntary and Community Sector, endorsed by the Charity Commission, and other best practice guidelines.

See pages 25 to 32 that explains our structure, governance and management in more detail.

Chief Executive's statement

Asthma attacks are **frightening, debilitating** and tragically sometimes end in death.



Every day hundreds of people struggling with their asthma seek expert advice from Asthma UK's website and nurse-led helpline. From this we know how much more support is needed for people with asthma to effectively manage their asthma on a daily basis and reduce their risk of a potentially life-threatening asthma attack. We also know for some only breakthrough treatments and a cure will be enough.

Every 10 seconds someone has a potentially life-threatening asthma attack. For some, asthma attacks start to change their lungs – a process that can be irreversible. Asthma attacks must be stopped.

The last couple of years have seen some critical new developments that have focused our thinking even more on the need for Asthma UK to ensure people with asthma get the treatments, care and support they deserve to reduce their risk of an asthma attack.

We are now in the fourth year of our ground-breaking new research strategy which is delivering real change in the world of asthma research within the UK and internationally, all due to the generosity of our supporters.

Research is critical to beating asthma long-term but we must also improve the treatment and management of asthma right now. We campaigned for the National Review of Asthma Deaths, published in early 2014. It was a stark reminder of why we must urgently end the complacency about asthma care.

Shockingly many deaths were shown to be avoidable with better routine care and the good practices we have known about for years. Prescribing errors, failure to ensure basic reviews are carried out, lack of follow-up after hospitalisation, and children faring even worse than adults were just some of the sobering findings.

That's why we are sharpening our strategy in light of these and other findings. We are, more than ever, determined to ensure the good practice we know works is given to each and every person with asthma, and that asthma research receives a fair share of scientific funding.

A handwritten signature in black ink that reads "Kay Boycott". The signature is written in a cursive style.

Kay Boycott
Chief Executive

Our work in 2013–14

In 2013–14 we outlined our aims to change the lives of people in three ways:

1 – Research into asthma

2 – Influencing policy and practice on how asthma is managed across the UK

3 – Helping those affected by asthma

Research into asthma

All our research is rooted in what people with asthma have told us is important to them and we are incredibly proud that Asthma UK research volunteers sit on research advisory boards in the UK and Europe.

Asthma UK supports world-class research in a variety of ways. We directly fund scientists in-line with our 2011–16 Research Strategy, we work with other funders to make the most of any of their potential asthma investments, we promote the need for further investment in asthma research, we directly produce research ourselves and we actively disseminate the findings of asthma research to speed up time taken from discovery to adoption.

What we achieved in 2013–14

This year saw the vision in the 2011–16 Research Strategy become a reality. We continued to support the MRC–Asthma UK Centre in Allergic Mechanisms of Asthma, where researchers work to develop a deeper understanding of the basic mechanisms of asthma.

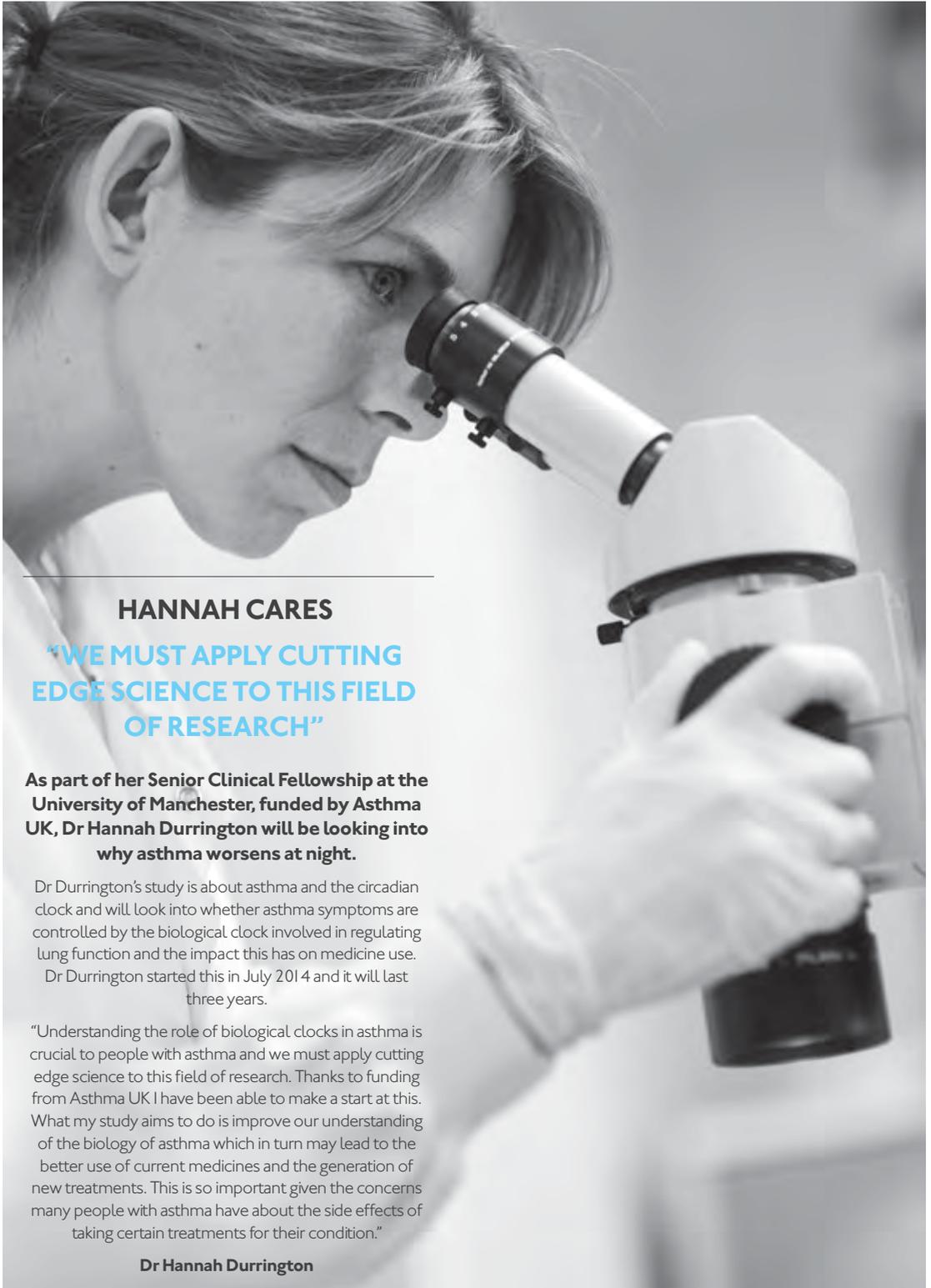
In addition, we proudly launched the Asthma UK Centre for Applied Research at the Scottish Parliament in May 2014; a culmination of three years of planning. This is the start of a unique collaboration between 13 institutions to develop world-class infrastructure for applied research in the UK with the aim of having time from discovery to adoption.

The three year EU-supported European Asthma Research and Innovation Partnership (EARIP) started. Asthma UK, as project lead, has brought together 12 of Europe's leading researchers and industry specialists, together with Asthma UK to define the roadmap to halving asthma deaths across Europe.

We held a funding round for PhD students to attract a new generation of superstar scientists to help stop asthma attacks and cure asthma. Three PhDs were awarded; to explore topics as diverse as fungal allergy and the lung microbiome in severe asthma and what happens in airways when a virus causes an asthma attack.

We commissioned research into the true cost of asthma, side effects of long-term steroid use in asthma and barriers to effective self-management of asthma. These findings are awaiting clinical journal publication in 2014–15.

Additionally, we put more focus into promoting asthma research more widely to make the case for increased investment and disseminate findings faster. We also trained and supported over 170 research volunteers.



HANNAH CARES

**“WE MUST APPLY CUTTING
EDGE SCIENCE TO THIS FIELD
OF RESEARCH”**

As part of her Senior Clinical Fellowship at the University of Manchester, funded by Asthma UK, Dr Hannah Durrington will be looking into why asthma worsens at night.

Dr Durrington’s study is about asthma and the circadian clock and will look into whether asthma symptoms are controlled by the biological clock involved in regulating lung function and the impact this has on medicine use.

Dr Durrington started this in July 2014 and it will last three years.

“Understanding the role of biological clocks in asthma is crucial to people with asthma and we must apply cutting edge science to this field of research. Thanks to funding from Asthma UK I have been able to make a start at this. What my study aims to do is improve our understanding of the biology of asthma which in turn may lead to the better use of current medicines and the generation of new treatments. This is so important given the concerns many people with asthma have about the side effects of taking certain treatments for their condition.”

Dr Hannah Durrington

“ We have trained and supported over 170 research volunteers. ”

Influencing policy and practice on how asthma is managed across the UK

There are 5.4 million people living with asthma in the UK and around 5% have asthma which is not managed by current treatment. We know that for very many people their symptoms, risk of hospitalisation or even death could be prevented with the right basic care. That's why we are raising the awareness of failures and local variation in routine care, and offer practical solutions for improvement.

What we achieved in 2013–14

May saw the publication of the ground-breaking National Review of Asthma Deaths. This study, the largest of its type ever conducted, was campaigned for by Asthma UK and we enabled the voice of people with asthma to be represented throughout. We ensured that the shocking findings; basic prescribing errors, routine care not being delivered and failure to follow-up after an attack, were widely publicised in the media and to key decision makers around the UK.

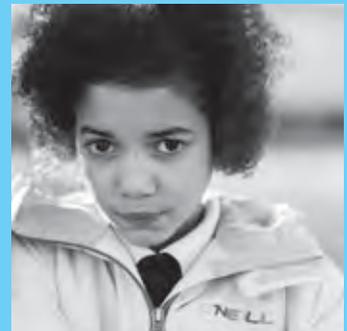
We have raised awareness of the heart-breaking evidence that two thirds of the deaths investigated were preventable in order to demand new energy is placed into respiratory and asthma frameworks across the four nations. Responses to the National Review of Asthma Deaths and Asthma UK's continuing pressure have resulted in ministerial commitments to improve care in England and Scotland, a National Review of Asthma Deaths implementation plan in England and the findings incorporated in the updated Northern Ireland Service Framework for Respiratory Health and Wellbeing and the new Welsh Respiratory Delivery Plan.

LLAHNIE'S STORY

Llahnie Whitlock, nine and from Gloucestershire, has severe asthma and had her first asthma attack when she was a few months old, something that her mum Caron described as 'terrifying'.

Doctors had told her she was being paranoid by telling them that Llahnie couldn't breathe but then she went blue and was rushed to hospital, where doctors said she'd developed pneumonia thanks to her breathing problems.

Caron says Llahnie is always wheezing and using her inhalers. In September 2012 she had a huge attack and ended up in intensive care and Caron was only told then that she was using the wrong spacer. Caron says as a result Llahnie is now very frightened that it will happen again because she's lucky to be alive. That was the worst attack she's ever had but she had been in HDU before that. Since then her medicines have been changed.



Our work in 2013–14



**Every 10 seconds
someone in the UK has a
potentially life-threatening
asthma attack.**

In 2013–14 we also published the results of our first comprehensive survey showing the real life care experiences of over 6,000 people with asthma at their local level. The results of this were heavily publicised and resulted in 29 Clinical Commissioning Groups and Health Boards in England signing our pledge to implement the basic frameworks by 2016. We asked people with asthma to repeat the survey this summer so that we can continue to monitor and raise awareness of the variation in asthma care across the UK.

Working with the All Party Parliamentary Group on Respiratory Health, we published the 'Report on enquiry into respiratory deaths' in June. Following on from the National Review of Asthma Deaths our launch in the Westminster Parliament saw commitments from the National Clinical Director for Respiratory Disease and the lead for the Children's and Maternity Strategic Clinical Network.

As part of our drive to offer practical solutions for improving asthma care, alongside raising awareness of the issues, we promoted new models of care during the year to commissioners and disseminated information to healthcare professionals through our Healthcare Professional Network. We also formed an exciting partnership with EMIS, the largest supplier of primary care software systems, to embed Asthma UK action plans directly into the computer template GPs and nurses use for asthma reviews.

HELENA'S STORY

Helena Hayes, 51 and from London, has a severe form of asthma. Diagnosed as a baby, it impacted on Helena's primary school life before she seemed to grow out of it by the time she was 15.

When Helena was in her mid-late 20s and pregnant, her asthma 'came back with a vengeance' and she has experienced severe asthma ever since. Helena's asthma is worst during the winter months when colds often trigger

her symptoms. She has to avoid using the tube for fear that it will trigger an asthma attack. Helena has been unable to work for 15 years and says that her condition has had an enormous impact on both her relationships and social life. On a bad day she struggles to even get out of bed as movement exacerbates her symptoms. Helena is unable to have a bath and had to move her bed downstairs to avoid climbing the stairs more than necessary.



EDDIE'S STORY

Eddie Connor, 41 and from East London, lives with a severe form of asthma. He was diagnosed with the condition aged 25.

His symptoms can be triggered by a range of things including pollution, dust, animals, exercise, colds and viruses.

His asthma has had an enormous impact on his life, particularly his career as an actor and the jobs he is able to take.

It also affected his relationships and social life. Eddie has experienced many hospitalisations for his asthma and on more than one occasion nearly died from a severe attack.



We continued our ongoing work to ensure the needs of people with severe asthma get the specialist help they need; successfully lobbying for increased capacity in Northern Ireland, working with the newly formed Difficult Asthma Group in Wales and contributing to NHS England's specialised commissioning consultations by bringing together clinicians, policy experts and people with asthma.

After years of campaigning we were delighted to see the law changed in summer 2014 regarding the use of emergency spare inhalers in schools. It is finally legal for schools to carry an emergency spare inhaler. Many thousands of our supporters kept the pressure on when it seemed ministerial commitments might be waning, with over 6,000 of our campaigners responding to the consultation which led to the eventual change of law.

Helping those affected by asthma

Every year thousands of people start being newly treated for asthma. The lack of a definitive diagnosis makes this a worrying time, especially with the confusing number of treatments, inhaler technique to master, and different symptoms and readings to take and record. Even those who have lived with their asthma for some years can face challenges in their asthma management, particularly if it starts to worsen and asthma attacks become more frequent. Our asthma nurse specialists and expert advice team are on hand to provide free guidance through our helpline, website and publications to directly support people with asthma, especially those at higher risk of an attack.

What we achieved in 2013–14

Our helpline answered 3,500 calls from people with asthma last year. Additionally, we provided support and information to healthcare professionals such as nurses, doctors and schools. Our website received 937,842 unique visitors and we started its redesign to more closely reflect the experiences and worries people with asthma may have, as well as upgrading the clinical content. All of our information continued to be produced to high standards and we are proud to have passed our Information Standard re-accreditation. Asthma UK representatives were also part of the prestigious British Thoracic Society, Scottish IGN Asthma Guidelines review panel.

Our work in 2013–14

“
**Our website
received 937,842
unique visitors.**”

We continued our seasonal campaigns to encourage effective self-management and promote the use of our risk score tool and action plans. There was specific promotion activity to raise awareness about what to do to manage peaks in key asthma triggers such as viruses at the start of the new school year. We also enabled people with asthma to better manage their risk of an asthma attack during a period in April of high pollution which coincided with excessive dust clouds.

This achieved significant media coverage and helped us get emergency advice to the increased numbers experiencing symptoms and asthma attacks.

We couldn't achieve what we do for people with asthma without our donors, volunteers and staff. In 2013–14 we completed a strategic review of our fundraising and with the help of our amazing supporters we saw our fundraising income in 2013–14 rise to £9,315,000.

Our volunteers continued to support us in many ways; through our Readers' Panel to ensure our information is accessible to people with asthma, our Asthma Speakers who support our fundraising and raise awareness of asthma, and our tireless research volunteers who speak up to ensure asthma research is designed around what people with asthma want and need. Our volunteers are hugely inspiring for our staff and they also took part in an Investors in People review in spring 2014. We are delighted that we have retained our Bronze accreditation.

JACQUI'S STORY

Jacqui Kewley, from Ormskirk, Lancashire, is the mother of Hannah Wilson who died last year at the age of 16 when a serious asthma attack caused her to have a fatal heart attack.

Hannah had been first diagnosed with asthma aged 10 and experienced it only mildly. On the day she had the fatal asthma attack she had spent the whole day at the beach with her boyfriend, came home 'right as rain' and only later

in the evening complained of feeling breathless. In the space of three minutes she collapsed having had a severe asthma attack and went into cardiac arrest. She was taken to hospital, put on a drug-induced coma and died four days later. Jacqui says she had no idea about the severity of her daughter's asthma before it killed her. She felt that the healthcare professionals she saw for Hannah's asthma had been complacent, with a 'blasé attitude.'

DEBORAH CARES

“ACHIEVING GOOD ASTHMA CARE IS POSSIBLE IN THE UK”

Deborah Waddell is Asthma UK’s Lead Clinical Adviser.

Before joining Asthma UK last year, Deborah was the Clinical Lead Children’s Asthma Specialist Nurse in Ealing, West London, where interventions to reduce asthma related hospital admissions in children resulted in a 40% reduction in hospital admissions (interventions started in 2009).

“I’ve been a nurse for more than 30 years and treated patients with all sorts of diseases, but the reason I became so driven to do something for people with asthma is that it doesn’t require lots and lots of NHS resources to put things right.

Achieving good asthma care is possible in the UK – but as this year’s National Review of Asthma Deaths highlighted, many healthcare professionals have become complacent and we are working hard to challenge this.”

Deborah Waddell



Our aims for 2014 – 15

We have **five key strategies** to deliver the 2014–17 goal of reducing the risk of asthma attacks.

During 2013–14 we completed the planned refresh of the 2012–17 strategy to take into account the findings from the National Review of Asthma Deaths and other

new evidence. The overwhelming conclusion was that there is still a mistaken belief in some quarters that asthma is not a serious condition; despite people still dying unnecessarily from asthma attacks and hundreds of thousands for whom current treatments do not work.

We are determined that the voices of people with asthma will be heard even

more strongly in the coming years to end this complacency and to continue to focus on the prevention of life-threatening asthma attacks. As a result we have re-articulated our mission as **'Stop Asthma Attacks. Cure Asthma'** and we have **five key strategies** to deliver the 2014–17 goal of reducing the risk of asthma attacks.

I. Drive world-class asthma research

Continue to support the MRC–Asthma UK Centre in Allergic Mechanisms of Asthma and the Asthma UK Centre for Applied Research.

Award £1.6 million in grants as part of the MRF/Asthma UK Research Grants round.

Drive the second year of the three year European Asthma Research and Innovation Partnerships (EARIP) to deliver first publications and increase understanding of the programme amongst key EU decision makers.

Continue to put people with asthma at the heart of asthma research.



Our goal is to increase the reach and satisfaction of our helpline using innovative digital advice channels.

2. Campaign for good asthma care

Continue to raise awareness of the variation of asthma care across the UK and activate more people with asthma to advocate for improvement.

Work with clinicians, policy makers and technology suppliers to improve the effectiveness of the NHS asthma review support for self-management.

Ensure specialist services are designed around the needs of people with asthma.

Work in partnership to continue to reduce smoking.

3. Directly support more people at high risk of an asthma attack

Provide gold standard asthma advice based on best available global evidence.

Increase the reach and satisfaction with our helpline and digital advice channels.

Drive use of risk score tools and asthma action plans to reduce the risk of asthma attacks.

4. End complacency about asthma

Raise awareness of the seriousness of asthma, triggers and risk factors, especially amongst those at higher risk.

Demonstrate the true economic and societal cost of asthma.

Equip the asthma healthcare professional community to champion good asthma care.

Work with people with asthma to ensure the organisation represents their need and concerns.

5. Attract more funding for asthma

Continuously improve the support of those who fundraise for us so that they are inspired to raise more money for Asthma UK.

Actively build partnerships, financial or otherwise with organisations who share our vision.

Challenge our internal effectiveness to make the most of every penny for people with asthma.

Financial review

Our total consolidated reserves have **increased** by **£1.3 million** from **£4.3 million** to **£5.6 million**.

Overview

The UK economic environment remains tough with a resulting impact on the ability to raise voluntary income. Additionally the fundraising environment continues to change with some charities investing heavily, for example in new channels for fundraising. Trustees are therefore pleased that Asthma UK finances have improved over the last year. Net incoming resources of £1.3 million are an encouraging result. Most of the surplus is due to higher than anticipated legacy income (£1.3 million more than prior period) which offset the lower than anticipated fundraising for the Asthma UK Centre for Applied Research.

Before accounting for a small loss on investments of £0.1 million, our operating surplus was £1.4 million which is much higher than our target of £0.6 million for the year. General reserves at the year-end have increased to £3.9 million from the £2.8 million at September 2013, which was felt to be too low. Trustees have reviewed our reserve policy and levels during the year and are comfortable with this year-end position.

Income

Total incoming resources for the year were £9.3 million, compared with last year's performance of £7.6 million. This is in spite of disappointing investment performance, a competitive fundraising environment and staff changes in the fundraising team this year. The increase in total income is mainly from legacies with some increased donations from Companies and Trusts.

Legacy donations at £3.8 million are 52% higher than the £2.5 million received last year. Notified legacies not yet received amount to £1.7 million. This provides some level of assurance for this income stream in 2014–15. We are extremely grateful to those who leave bequests to the charity; their generosity enables us to achieve our goals.

Donations from Companies and Trusts at £1.4 million is better than the prior year (2012–13: £0.8 million). Income from our other streams remains static. Donations from Individuals were £2.6 million and our Community and Events team raised £1.3 million, broadly the same level as last year.

In this environment we are grateful to the many thousands of supporters who have continued to support us during the last year.

Expenditure

From this year, we have revised our charitable expenditure headings. 'Research' remains as a key part of our expenditure, however, we have changed the two categories of 'Education' and 'Community Involvement' to 'Improving Care' and 'Advice and Support'. This fits more naturally with the work we do and our structure, both of which are designed to enable us to achieve our strategy. As required by SORP guidelines, we have restated last year's charitable expenditure under the new headings using the same apportionment principles used in 2013–14 to aid comparative analysis.

Charitable expenditure of £7.8 million is £0.3 million lower than the £8.1 million in 2012–13 after deducting the exceptional £2 million grant for the Centre for Applied Research in that year.



We saw our fundraising income in 2013–14 rise to £9,315,000.

This year we have spent a total of £641,000 on research grants compared to £991,000 in 2012–13, excluding the £2 million Centre for Applied Research grant. We awarded £350,000 in eight Innovation grants and £291,000 in three PhD Studentship grants. Further details on the grants awarded are given in note 19 to the accounts. These grants will be paid out over a number of years and an analysis of the timing of grant commitments outstanding at 30 September 2014 is given in note 2 to the accounts. Expenditure this year on Improving Care and related activities has seen a small increase to £1.7 million from the £1.6 million spent last year. Our expenditure on Advice and Support for people with asthma and their carers has remained at £2.3 million (restated 2012–13: £2.3 million).

Support costs

Support costs are in line with the previous year at £1.7 million. In line with SORP 2005, we allocated support costs across Asthma UK's charitable and fundraising activities to reflect usage by activity. Allocation is based on overall staff head count. This is believed to give the fairest reflection of how resources have been utilised.

Details are shown in note 5 to the accounts. During the year there has been a significant focus on internal efficiency with the specific objective of reducing support costs and ensuring the charity is well positioned to meet the challenges of the changing external environment. This was completed in the year and is expected to lead to reduced support costs in the coming year.

Balance sheet

Our balance sheet has strengthened over the past year with total consolidated reserves increasing by £1.3 million from £4.3 million to £5.6 million. The majority of this is an increase in general reserves by over £1 million to £3.9 million from £2.8 million last year, mainly arising from legacy income received towards the end of the financial year.

Subsidiaries' 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 via gift aid. This year's turnover was £155,000 (2012–13: £197,000), while the profit before the gift aid transfer to Asthma UK was £55,000 (2012–13: £117,000). An appropriate share of group costs is attributed to AEL. Details of income and expenditure can be seen in note 18a to the accounts.

Asthma UK Trading Limited (ATL) was a wholly owned subsidiary set up to help us establish a specific new income stream which did not materialise. It was closed in the financial year ended September 2014.

In 2013–14, Asthma UK was involved in a joint venture called the Respiratory Alliance with three other participants; the British Thoracic Society, British Lung Foundation and the Primary Care Respiratory Society. Each subscriber held a 25% interest in the company. Due to lack of sustainable funding the joint venture was closed during the year and the company has been wound up.

Financial key performance indicators

We have **three** financial key indicators

The Trustees monitor the financial performance of the organisation through full regular financial reporting to the Finance and Audit Committee and Council including income and expenditure, balance sheet and cash flow forecast reporting. At a top level, the Trustees pay close attention to the indicators shown in the table opposite, which are drawn from the internal management accounts.

The indicators show a significant increase in gross income in 2013–14 compared to target. This is from the over performance in legacy income of over £1 million and another £300,000 in donations from Companies and Trusts. The positive variance in net income growth is largely due to the relatively low direct costs linked to these two income lines.

Our target was to maintain the level of our legacy pipeline. The pipeline at the end of September 2014 is £0.3 million lower than prior year, but should be viewed in the context of the £3.8 million actually received in 2013–14 – an exceptional amount of legacy income. The budget for next year is in line with historical trends at £2.8 million and we are confident that the pipeline will achieve this target.

Financial position at the end of the year and financial outlook

As noted on page 18, at the end of the year, Asthma UK held unrestricted free reserves of £3.9 million. This is higher than the minimum target level of £3.4 million established by Trustees due to the exceptionally high receipts of legacy income towards the end of the financial year.

The financial environment remains difficult and whilst we have managed to increase our income compared to the level in 2012–13, we recognise the fact that this was due to legacies. We wish to reduce our reliance on this income stream and have continued our investment in fundraising. We now have a full team in place with a clear objective to explore new ways of maximising and diversifying our funding streams. This bodes well for future years and underpins our five year fundraising strategy.

Trustees have set an operating surplus budget for next year of £170,000. This is in recognition of the time lag between starting new fundraising approaches and seeing positive income.

Even so, Trustees are aware that this is still a challenging budget given the competitiveness of the charity funding environment.

Reserves policy

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 economic downturns, 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 1(h) to the accounts, details of individual funds at note 14 to the accounts.

The Trustees have set a target range for free unrestricted reserves on a risk basis to provide some protection against any unforeseen decrease in our investment portfolio or failure to achieve our fundraising plans, and to provide sufficient working capital for the organisation.

Indicator	Actual	Target	Variance
Gross Income – growth from prior year	+22.1%	+12.4%	+9.7%
Net Income – growth from prior year	+32.9%	+1.2%	+31.7%
Legacy pipeline – value at year-end	£1.8m	£2.1m	-£0.3m

The range of general reserves considered appropriate to cover working capital and unforeseen events is the equivalent of between two to four months of budgeted expenditure for the coming year, excluding research and expenditure from restricted funds. This approach recognises the fact that most of the charity’s income comes from voluntary donations which are uncertain in the present tough economic environment. During the year the organisation reviewed the basis of our reserves policy and recognised that there is no precise methodology for calculating the appropriate reserve levels. However the Committee concluded that the basis currently used by the organisation provides an adequate guide to establishing a monetary level for the target level of reserves. The target range at 30 September 2014 stands at £3.4 million to £4.7 million, with the actual level at 30 September 2014 at £3.9 million within this range.

Endowment and restricted funds

Endowment and restricted funds at the end of the year amounted to £0.8 million (2012–13: £0.9 million). Income from our endowed funds is restricted to support our research expenditure, while other restricted funds are applied towards specific activities agreed with the donors.

Designated funds

The current policy is to designate an amount each year towards possible future multi-year grants, as the full cost of the grant is charged in the year the formal commitment is made. This year this was £229,000. Without some designation of funds in advance of such awards, reserves are likely to drop below the acceptable minimum amount set by Trustees in the year any multi-year grant is made, reducing the likelihood of Trustees approving multi-year grants and restricting the breadth of research funding offered by Asthma UK.

The other designation is for £0.3 million (2012–13: £0.2 million), which is equivalent to 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. The change in this fund this year of £0.1 million is mainly due to fit out costs arising from the move in February to the new office in Mansell Street. Explanation of re-allocation between funds is shown in note 14.

Research grants policy

Asthma UK has agreements to fund research projects, senior research fellowships and professorial chairs for periods of up to five years. The Charity Commission’s Statement of Recommended Practice (SORP) requires the charity to make provision for forward commitments (i.e. recognise them as liabilities) at the time when grants are awarded or when a forward commitment becomes a constructive obligation.

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. 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 continue to be:

- to meet future defined longer-term liabilities
- to act as reserves 'to protect core activities in the event of income shortfalls until such time as alterations to planned expenditure can be made'
- to support long-term identifiable projects.

The charity's investment portfolio is now managed by Rathbones, within clear guidelines set by the Trustees. The portfolio was transferred from Jupiter Asset Management to Rathbones on the sale of the Jupiter business to Rathbones at the end of September.

Their mandate includes the responsibility, subject to Trustees' approval, for asset allocation as well as stock selection. Our portfolio is managed on a total return basis. Performance measurement is against a benchmark of CPI+4%. This benchmark may be overridden by our investment managers in the short-term if they feel market conditions are such that there is a real risk to the capital value of our investments.

Fund managers are asked to seek approval if more than 20% of investments are to be placed in any one fund. The charity does not invest in companies associated in any material way with tobacco or tobacco-related products.

Investment performance

Over the year, the investment portfolio delivered an overall return of 1.0%, which is notably lower than the benchmark CPI+4% return of 5.3%. The portfolio suffered from stock market volatility, an overweight position in inflation protection and a lack of Sovereign bonds, which performed strongly over the period. The portfolio remains positioned for long-term capital appreciation with an emphasis on capital preservation in accordance with the investment mandate.

Since the end of September to the end of December, the portfolio is up 1.3%, ahead of the FTSE All Share Index.

Interest and dividend income in the year from investments and bank deposits amounted to £202,000 (2012-13: £224,000). This represents an income return of 2% (2012-13: 3%). Unrealised losses on the portfolio total £93,000 compared to gains of £336,000 in 2012-13.

Principal risks and uncertainties

The Finance and Audit Committee oversees Asthma UK's risk management strategy.

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 'deep dives' into 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 register is regularly reviewed with a complete revision carried out every two years, most recently in mid-2014.

The types of risk facing the charity are identified and the potential impact, likelihood of occurrence is assessed to produce a gross risk score. Once current mitigation has been reviewed each risk is rescored with the impact and likelihood of occurrence to provide a net risk score. Each risk has an identified Director with lead responsibility for oversight of it, and there is a quarterly review process built into our operational performance management framework. The four key risks identified through this process are set out on page 24 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 3 March 2015.



Professor Robert Wilson
Chairman

Principal risks and uncertainties

Risk 1	Impact of financial constraints in the NHS reduces access to quality basic primary care and/or specialist treatments and care for people with severe asthma leading to worse outcomes.
Mitigation	Refreshed policy and campaigns programme, focus on practical projects to improve in asthma care which can be funded through efficiency rather than increased investment.
Future actions	Increased monitoring of key outcome measures, including patient self-reported measures, investment in producing evidence and solutions to improve care which are compelling to policy makers in the current climate.
Risk 2	Complacency about asthma leads to lack of investment in healthcare system improvements and lack of engagement by people with asthma in self-management.
Mitigation	Changes to communication messages in line with views of people with asthma, commissioned research to demonstrate the impact of asthma, focus on campaigns to connect with these audiences and make the case for asthma.
Future actions	Continued investment to make the case for asthma.
Risk 3	Poor user experience on Asthma UK digital channels impacts number of people with asthma effectively accessing advice content or fundraising opportunities.
Mitigation	Whole organisation digital training programme. Investment allocated to digital upgrade programme.
Future actions	Deployment of digital upgrade programme, rolling test and learn plan, continuous professional development in digital.
Risk 4	Failure to recruit, retain and get best impact from people.
Mitigation	Participation in Investors in People (retaining Bronze in 2014), Council maintains oversight of employee statistics to aid identification of any key trends and sector comparisons.
Future actions	Long-term people strategy to be developed in line with updated strategic direction.

Our structure, governance and management

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

The Trustees' Report should be read in conjunction with the Strategic Report on pages 1 to 24. As required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 details of the charity's objectives, performance against plans, future plans, financial review and risk management previously contained in the Trustees' Report are now included in the Strategic Report.

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) and Scotland (SCO39322) regulated by the Charity Commission. It is governed by a Council of Trustees (Council), chaired by Professor Robert Wilson, under powers defined in the Memorandum and Articles of Association. Asthma UK is a membership-based charity with a current membership of around 6,100. The day-to-day running of the Charity is the responsibility of the Senior Leadership team.

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 which includes approval of annual budgets. It delegates operational responsibility for the Charity's activities to the Chief Executive and the Senior Leadership Team and provides advice, guidance and support on an ongoing basis. Council comprised 15 Trustees as of 30 September 2014 and met six 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 comprises up to 16 Trustees, 10 of whom are 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 day-to-day running of the Charity is the responsibility of the Senior Leadership team.
 ”

New Trustees have a full induction to provide them with the background to 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 30 and 31 for full details of our Trustees.

Committees and advisory groups

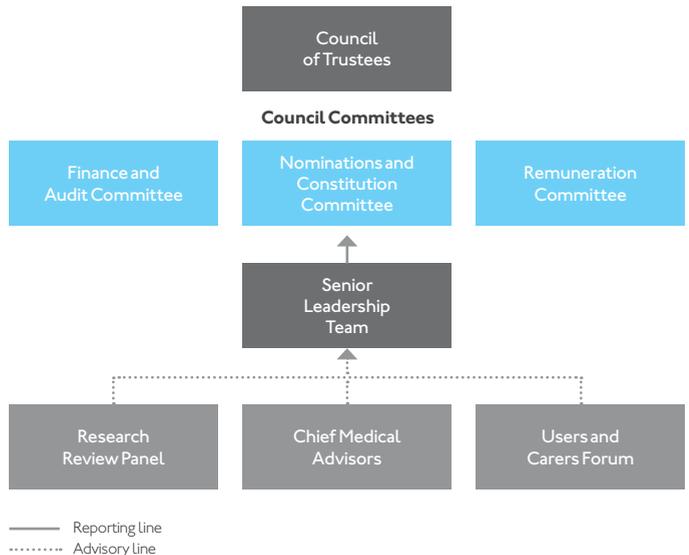
All sub-committees operate under terms of reference set by Council and report on their meetings to the subsequent Council meeting. There are also advisory groups which provide specialist advice and support to the organisation.

Nominations and Constitution Committee

The process for the election and co-option of Trustees is overseen by a Nominations and Constitution sub-committee of the Board consisting of five members of Council. A skills and experience audit of current Council members compared with those skills required to perform Council’s duties guides the process.

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 and monitors the performance of the charity’s investment portfolio. The Committee consists of four Council members and two non-Trustee members. Council has the power to co-opt up to four non-Trustee members chosen for their relevant skills and experience.



Vacancies for elected positions are advertised to all Asthma UK members with additional wider targeted advertising used where necessary to attract candidates with specific skills. On completion of the election process the Nominations and Constitution Committee will review remaining skills gaps and recommend suitable co-options to Council for formal decision.

Remuneration Committee

The third sub-committee is the Remuneration Committee, consisting of four members from Council, and is responsible for advising Council on staff remuneration.

In addition, Council and the Senior Leadership Team receive additional expert advice from three sources:

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 2013–14 panel members were: Professor Maria Belvisi, Professor Peter Bradding, Professor James Brewer, Professor Anoop Chauhan,

Professor Edwin Chilvers, Professor Graham Devereux, Professor Kathryn Else, Professor William Harnett, Mr Rod Greenhalgh, Professor John Holloway, Mrs Valerie Hudson, Mr Surayya Khan, Dr Lorcan McGarvey, Dr Claire Murray, Dr Robert Niven, Ms Jenny Negus, Dr William Oldfield, Dr Michael Perkin, Mrs Amanda Roberts, Dr Elizabeth Seward, Professor Angela Simpson, Professor John Simpson (Chair), Professor Brian Sutton, Professor Martin Tobin, Dr Mark Travis, Dr Sarah Walmsley, Dr Jennifer Woof.

Chief Medical Advisers

These provide independent clinical advice on a variety of matters to the Executive and Council. In 2013–14 they were Professor Ian Pavord and Professor Mike Thomas. In July 2014 it was agreed to establish a new council of healthcare professionals, the new council will act in an advisory and ambassadorial capacity to help Asthma UK achieve its strategic objectives.

Users and Carers Advisory Forum

This is a panel of around 30 members to provide advice to Asthma UK staff and the Trustees on the views of people with Asthma and their carers. In 2013–14 it incorporated the Black and Minority Ethnic Forum to become one body. The joint Chairs were Philip Seagrave and Surayya Khan.

Senior Leadership Team

The Senior Leadership Team is responsible for the day-to-day running of the Charity under authority delegated by Council. It proposes to Council where the Charity should invest its time, money and expertise. It reviews with Council any changes to strategy on an annual basis. It proposes an annual operating budget to the Finance and Audit Committee and the Council for approval and monitors financial performance accordingly. It recommends any changes to budget in light of performance to date during the year.

See pages 28 and 29 for full details of our Senior Leadership Team.

Our structure, governance and management

Senior Leadership Team (on 30 September 2014)

The Senior Leadership Team is responsible for the day-to-day running of the Charity under authority delegated by Council.

Kay Boycott, Chief Executive

Kay joined Asthma UK in October 2013. She began her career with Nestle Rowntree and Johnson & Johnson, followed by 10 years in strategy consultancy for clients including GlaxoSmithKline, Nestlé and Vodafone.

She was also a Non-Executive Director and Audit Chair of NHS Hammersmith & Fulham Primary Care Trust for five years.

Kay moved to the charity sector in 2009 as Director of Campaigns, Policy and Communications at the housing and homelessness charity Shelter.

Since 2011 she has been a Trustee of Gingerbread, the charity for single parents.

Dr Samantha Walker, Deputy Chief Executive and Director of Research and Policy

Samantha joined Asthma UK in January 2011. A nurse by training, she maintains her research activity through an honorary senior lectureship (non-clinical) in the Division of Community Health Sciences, University of Edinburgh and has published extensively on asthma and allergy for over 25 years in high impact research journals.

Lindsay Gormley, Director of Marketing

Lindsay joined Asthma UK as its first ever Director of Marketing in June 2014.

Prior to this, Lindsay was Assistant Director of Marketing at Barnardo's, the largest children's charity in the UK, where she increased brand awareness and propensity to donate to its highest ever levels. She has also worked at the Department for Transport, Central Office of Information and Random House.

Caroline Hellicar, Director of Fundraising

Caroline joined Asthma UK as Director of Fundraising in July 2014.

Before coming to Asthma UK, Caroline worked with the Juvenile Diabetes Research Foundation as Director of Fundraising. Her career has also included fundraising roles at the NSPCC and 10 years as an independent fundraising and strategy consultant working with charities in the UK, USA and Africa, and as a trainer with the Institute of Fundraising.

Carron Smith, Interim Director of Health Advice and Support

Carron was appointed in June 2014.

Carron is a specialist interim consultant in operational improvement programmes for organisations. Before Asthma UK she worked for Camelot and National Lottery. She has held Board level positions overseeing UK and European customer operations for Virgin Holidays, Expedia, AOL and the Rank Group.

Harriet Jones, Director of Finance and Resources

Harriet joined Asthma UK as Director of Finance and Resources in January 2015.

Previously, Harriet was Finance Bursar at University College School, a foundation of independent schools. This followed a period at the Home Office and various roles at the BBC over nine years, most latterly heading up the Business Analysis and Planning team. Harriet qualified as a chartered accountant whilst working at Deloitte.

Martin Tyler, Director of Finance (until September 2014)

Martin joined Asthma UK in May 2012 from Amnesty International where he was Director of Corporate Services.

From left to right: Carron Smith, Kay Boycott, Harriet Jones, Caroline Hellicar, Lindsay Gormley, Dr Samantha Walker



“
**New Trustees
have a full induction
to ensure that
they understand
their duties.**”

**Trustees
(on 30 September 2014)**

The Council comprises up to 16 Trustees. All Trustees must be members of Asthma UK and receive no remuneration other than for expenses incurred.

**Professor Robert Wilson
Chairman**

Robert is a Consultant Physician, Director of Lung Division and Associate Medical Director at the Royal Brompton and Harefield Hospital. He is also adjunct Professor of Medicine at Imperial College London.

Kate Clarke

Kate has a background in marketing, having worked in several multinational consumer goods companies. She is keen to use her commercial experience to support and grow Asthma UK's fundraising.

June Coppel

June worked for 19 years at the Bank of England in the areas of Overseas Intelligence, Banking Supervision and Equal Opportunities. She sits on the Council of her university graduates' association in London and has undertaken voluntary work as a school governor, a fundraiser for Save The Children and a children's hospice and has also chaired a Victim

Support Charity in Surrey. June is an active fundraiser for Asthma UK and sits on the Nominations Committee and the Remuneration Committee at Asthma UK.

Paulette Graham

Paulette is an HR/Office Manager in an architectural company and has worked in the profession for about 15 years. Prior to this, she worked in travel. In her spare time, Paulette runs a successful cake baking business and takes part in many road races.

Barbara Herts

Barbara is Director of Integrated Commissioning and Vulnerable People at Essex County Council. With a background in children's services and education, schools and social care, Barbara has worked in both central and local government, for the Department of Health and the Department of Education.

Barbara has been a Trustee since 2005, and chairs Asthma UK's Nominations Committee for the governance of the charity and appointment process of Trustees.

Mary Leadbeater

After qualifying as a chartered accountant, Mary worked in finance roles in the Royal Dutch Shell Group for 15 years. She then joined the NHS in 1994 and was the hospital Finance Director for Stoke Mandeville, Royal Brompton and Harefield and then the Royal Free. In 2009 she formed her own company and acts as an interim NHS Finance Director. She was a member of the Stoke Mandeville and Royal Brompton and Harefield Corporate Trustee bodies and is a Director of the Caxton Foundation Limited. She has been a Trustee and member of the Finance and Audit Committee since 2012.

**John Lelliott
Vice Chair**

John is a Finance Director and a member of the senior management team at The Crown Estate where he has responsibility for finance, information systems and internal audit.

He has been a member of the Asthma UK Finance and Audit Committee since September 2007 and contributes to providing advice, scrutiny and governance to the charity.

Professor Jürgen Schwarze

Jürgen has contributed significantly to the understanding of the role that viruses have in the development of asthma and in acute asthma attacks. As a paediatric allergist and chest physician and clinical researcher at the University of Edinburgh, he has longstanding experience in basic and clinical research in asthma and allergy-related fields. As a Trustee he has helped to shape Asthma UK's current research strategy.

Martin Sinclair

Martin is an Assistant Auditor General and member of the Leadership Team at the National Audit Office, the external auditors of central government. He is a member of the Chartered Institute of Public Finance and Accountancy.

He has been a member of the Asthma UK Finance and Audit Committee since 2010 and contributes to charity providing advice on accounting, audit, risk and performance management issues.

Dr Iain Small

Iain has been actively involved in respiratory medicine in primary care for 20 years and is a General Practitioner and executive member of the Primary Care Respiratory Society UK and Chair of the Scotland Respiratory National Advisory Group.

Matthew Smith

Matthew, a Partner at Capsticks LLP, has more than 20 years' experience of advising on public law. He specialises in advising a wide range of public bodies on their governance, powers and duties; the integration of health and social care; and on associated programmes for the integration of services. He is also an experienced judicial review litigator.

David Steeds

David is a Chartered Accountant currently working as a non-executive director of a number of public and private companies. He was previously Corporate Development Director of Serco Group plc and QinetiQ Group plc and Chief Executive of the Private Finance Panel.

David has been Chairman of the Finance and Audit Committee since July 2007.

Dr Anne Thomson

Anne has recently retired after 24 years as a Consultant in Paediatric Respiratory Medicine in Oxford. She has extensive clinical experience of asthma in children and in helping children and families cope with the condition.

Simon Tilley

Simon is a Managing Director at DC Advisory Partners, an investment bank based in the City of London. Simon has spent his career advising companies and private equity firms on raising finance and making acquisitions and disposals.

Jane E Tozer MBE OBE

Jane started work with IBM, and later became CEO of an innovative software house, taking it from start-up to trade sale. Jane has since held a portfolio of non-executive directorships with large and small companies, both quoted and unquoted. She has also acted as advisor to various public sector bodies and investment banks.

She is currently a non-executive director of two investment trusts, StatPro plc, her local Citizen's Advice Bureau, and the Information Technologists' Charity.

Finance and Audit Committee

David Steeds – Chair
Seema Jamil-O'Neill
Mary Leadbeater
John Lelliott
Richard Penney
Martin Sinclair
Robert Wilson

Nominations and Constitution Committee

Barbara Herts – Chair
June Coppel
John Lelliott
Iain Small
Robert Wilson

Remuneration Committee

David Steeds – Chair
June Coppel
John Lelliott

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 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. We are pleased to have retained the Investors in People Bronze accreditation.

Trustees' responsibilities statement

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 refer to the Charity Commission's general guidance on public benefit and are satisfied that our objectives, strategy, work plans and activities fall within the charitable purpose 'the advancement of health and the saving of lives' as required by the Charities Act 2011.

Auditors

Grant Thornton UK LLP was reappointed as the charity's auditors at the Annual General Meeting on 5 June 2014 under section 487(2) of the Companies Act 2006.

Approved and signed on behalf of the Trustees on 3 March 2015.



Professor Robert Wilson
Chairman

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

We have audited the financial statements of Asthma UK for the year ended 30 September 2014 which comprise the Group statement of financial activities, the balance sheets, the Group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Trustees and members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 33 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.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014 and of its 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 regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records or 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.

Grant Thornton UK LLP

Jennifer Brown
Senior Statutory Auditor
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor,
Chartered Accountants
London

4 March 2015

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Group statement of financial activities

For the year ended 30 September 2014
(incorporating consolidated income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000	2013 Restated total funds £'000
Incoming resources	1(c)					
Voluntary income:						
Donations and subscriptions from Individuals		2,590	35	–	2,625	2,657
Donations from companies and trusts		548	785	25	1,358	784
Community and events fundraising		1,253	16	–	1,269	1,239
Legacies		3,628	200	–	3,828	2,519
Total voluntary income		8,019	1,036	25	9,080	7,199
Investment income		191	11	–	202	224
Incoming resources from charitable activities:						
Other statutory grants		–	–	–	–	243
Income from charitable activities		33	–	–	33	16
Total incoming resources and share of joint venture		8,243	1,047	25	9,315	7,682
Less share of joint venture turnover	18b	–	–	–	–	(56)
Total incoming resources group		8,243	1,047	25	9,315	7,626
Resources expended	1(d)					
Cost of generating funds:						
Fundraising costs		2,321	–	–	2,321	2,415
Investment management fees		34	–	8	42	43
		2,355	–	8	2,363	2,458

Group statement of financial activities (continued)

Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000	2013 Restated total funds £'000
Charitable activities:					
Research	515	899	–	1,414	3,650
Improving care	1,488	164	–	1,652	1,616
Advice and support	2,243	107	–	2,350	2,288
Total charitable activities	4,246	1,170	–	5,416	7,554
Governance costs	68	–	–	68	66
Total resources expended	3,4	6,669	1,170	8	7,847
Net incoming/(outgoing) resources before joint venture (operating result)	1,574	(123)	17	1,468	(2,452)
Share of surplus of joint venture	18b	(40)	–	(40)	40
		1,534	(123)	17	1,428
(Loss)/gain in value of investments	10	(77)	–	(16)	(93)
Net movement in funds for the year		1,457	(123)	1	1,335
Total funds brought forward		3,384	323	580	4,287
Balance at 30 September 2014	14	4,841	200	581	5,622

Expenditure restatement note

The 2013 expenditure numbers have been restated because we revised our charitable expenditure headings to fit more naturally with the work we do and our structure; both of which are designed to enable us achieve our strategy. Expenditure for 2013 has not changed, but as required by SORP guidelines, has been restated under the new expenditure headings using the same apportionment principles used in 2013–14 to aid comparative analysis.

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.

Summary income and expenditure account

The summary income and expenditure account is presented in order to comply with the Companies Act 2006.

The major difference in the figures presented from those in the consolidated statement of financial activities is the exclusion of endowment income and expenditure.

	2014 £'000	2013 £'000
Gross income	9,290	7,601
Gross expenditure	(7,839)	(10,072)
Realised gains from investments	18	171
Net income for the year	1,469	(2,300)

Balance sheets

As at 30 September 2014. Company Registered Number: 02422401

	Notes	Consolidated		Charity	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
Fixed assets					
Tangible assets	9	288	156	288	145
Investments	10	9,370	7,804	9,470	7,904
Investment in joint ventures					
Share of gross assets	18b	–	44	–	–
Share of gross liabilities	18b	–	(4)	–	–
		–	40	–	–
		9,658	8,000	9,758	8,049
Current assets					
Debtors	11	494	815	581	962
Cash at bank and in hand		722	590	515	370
		1,216	1,405	1,096	1,332
Creditors					
Amounts falling due within one year	12	2,919	1,870	2,899	1,875
Net current liabilities		(1,703)	(465)	(1,803)	(543)
Total assets less current liabilities		7,955	7,535	7,955	7,506
Creditors falling due after more than one year	2, 13	2,303	3,148	2,303	3,148
Provisions for lease dilapidations	13	30	100	30	100
Net assets		5,622	4,287	5,622	4,258
Represented by:					
Funds					
Endowment funds to Support Research		581	580	581	580
Restricted income funds		200	323	200	323
Designated funds – Fixed Assets		288	156	288	156
Designated fund – Research Grants		667	438	667	438
Unrestricted Income funds (including revaluation reserve of £ 1958k for 2014 and £ 1,233k for 2013)		3,886	2,790	3,886	2,761
	14	5,622	4,287	5,622	4,258

The accompanying notes are an integral part of these balance sheets.

The annual Trustees' report and accounts including notes 1 to 19 were approved by the Trustees on 3 March 2015.



Professor Robert Wilson
Chairman



David Steeds
Chair of Finance and Audit Committee

Group cash flow statement

For year ended 30 September 2014

Notes	2014 £'000	2013 £'000
Reconciliation for the year of net outgoing resources to net cash outflows		
Net incoming/(outgoing) resources for the year	1,468	(2,452)
Net investment income received	(202)	(224)
Exchange revaluation movements	(8)	(14)
Depreciation	124	229
Decrease/(Increase) in debtors	321	(356)
Increase in creditors falling due within one year	1,049	355
(Decrease)/Increase in creditors falling due in more than one year	(915)	1,958
Net cash inflow/(outflow) from operating activities	1,837	(504)
Net cash inflow/(outflow) from operating activities	1,837	(504)
Returns on investments		
Investment income	127	136
Interest received	75	88
	2,039	(280)
Capital expenditure and financial investments		
Purchase of tangible fixed assets	(256)	(9)
Purchase of investments	(3,013)	(1,441)
Receipts from sale of investments	2,241	1,600
	(1,028)	150
Net increase/(decrease) in cash for the year	(a) 1,011	(130)

The accompanying notes are an integral part of this Group cash flow statement.

Notes to the Group cash flow statement

(a) Analysis of net funds

	01 Oct 2013 £'000	Cash flow £'000	30 Sept 2014 £'000
Cash and short-term bank deposits	590	132	722
Cash held as part of investment portfolio	310	879	1,189
Total	900	1,011	1,911

Notes to the Group financial statements

for the year ended 30 September 2014

I. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of listed investments stated at market value, and in accordance with applicable accounting standards. They comply with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and the Companies Act 2006.

(b) Group financial statements

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 as permitted under section 477 of the Companies Act 2006. The Charity's surplus for the year was £1,311,000 (2012–13: £2,009,000 deficit) and turnover was £9,179,000 (2012–13: £7,450,000).

(c) Income

All income is accounted for on a receivable basis and is accounted for gross of any charges and associated costs. Donations and grants given for specific purposes are treated as restricted income and any amounts which are unspent at the year-end are carried forward in restricted funds. Legacy income is recognised when the charity has entitlement, measurement and certainty of receipt, which may not be until notification of an impending distribution or when the legacy is received. Gifts in kind are recognised at reasonable estimates of their gross value to the charity or the amount actually realised. Investment income includes dividends and interest but excludes realised and unrealised investment gains and losses.

(d) Expenditure

Expenditure is accounted for on an accruals basis. Liabilities are recognised as resources to be expended as soon as there is a legal or constructive obligation that commits the charity. Expenditure is classified under the principal categories of charitable and cost of generating funds rather than the types of expense in order to provide more useful information to users of the financial statements. Charitable expenditure and fundraising costs include direct, indirect and support costs. Direct costs are those clearly attributable to activities, indirect costs are those that can be allocated directly to an activity, principally staff costs. Support costs are separately analysed and then allocated to activities on a head count basis to give a reasonable approximation to their use by activity.

(e) Grants

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.

(f) Allocation of support costs

Support costs, which include general functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and finance are separately analysed and then allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. Governance costs relate to general running of the charity and include audit fees, legal advice for Trustees, costs associated with constitutional and statutory requirements and costs associated with the strategic management of the charity. Details of the cost allocation are shown in note 5 to the accounts.

(g) 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% of cost
 General office furniture – 25% 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 £1,000 are not capitalised.

(h) Fund accounting

Restricted funds are funds subject to specific restricted conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Endowed funds are funds to be held permanently, although their constituent assets may change from time to time, and they are also subject to specific restrictions imposed by the donor on their use. Designated funds are defined as funds which have been set aside at the discretion of the Trustees for specific purposes. The purpose of each designated fund is set out in the notes to the financial statements. The general fund comprises the accumulated surplus on the statement of group financial activities less any funds designated by the Trustees for specific purposes.

(i) Branches

In order to correctly reflect the stewardship responsibilities of the charity with regards to the activities of its branches, income received during the year from branches are included in the accounts and branch cash balances at the year-end are included in the balance sheet. The amounts have been incorporated on the basis of returns received at head office.

(j) 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.

(k) Joint venture accounting policy

Joint ventures are accounted for using the gross equity method. The gross incoming resources from joint ventures is included in the Consolidated Statement of Financial Activities on a line-by-line basis with an additional row showing the total share of gross incoming resources from joint ventures as a reduction of total incoming resources. This has been clearly distinguished as it does not form part of the Group incoming resources. The group's share of the results of the joint ventures is included in the Consolidated Statement of Financial Activities as a separate line. In the Consolidated Balance Sheet, the share of the gross assets and the gross liabilities have been shown as a linked presentation within fixed assets investments.

Notes to the Group financial statements

for the year ended 30 September 2014

2. Research

	2014 £'000	2013 £'000
Awarded during the year	641	2,991
Grants written back	(12)	(83)
Total research grants charged in the year	629	2,908
Research commitments		
Awards falling due within one year	1,992	1,115
Awards falling due after more than one year	2,303	3,148
Total commitments recognised in the balance sheet	4,295	4,263

In accordance with Charity Commission Statement of Recommended Practice 2005, Asthma UK recognises the full commitment to a project at the time when the project grant is awarded.

A full list of research grants made during the year is detailed in note 19.

3. Expenditure

	2014 £'000	2013 £'000
This is stated after charging:		
Depreciation	124	229
Auditor's remuneration – audit work	33	33
Auditor's remuneration – other work	6	5
Operating lease – other	213	246

4. Analysis of total resources expended

				2014	2013 Restated
	Grants to Institutions £'000	Activities undertaken directly £'000	Support Costs £'000	Total £'000	Total £'000
Cost of generating funds:					
Fundraising costs	–	1,893	428	2,321	2,415
Investment management fees	–	42	–	42	43
	–	1,935	428	2,363	2,458
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Research	629	558	227	1,414	3,650
Improving care	–	1,162	490	1,652	1,616
Advice and support	–	1,781	569	2,350	2,288
	629	3,501	1,286	5,416	7,554
Governance	–	68	–	68	66
Total	629	5,504	1,714	7,847	10,078

5. Allocation of support costs

							2014	2013 Restated
	Finance £'000	Ceo £'000	Co sec & property £'000	IT £'000	HR £'000	Facilities £'000	Total £'000	Total £'000
Fundraising Costs	95	39	129	41	89	35	428	441
Research	50	21	68	22	48	18	227	204
Improving Care	109	44	148	47	102	40	490	485
Advice and Support	127	51	172	54	119	46	569	554
	381	155	517	164	358	139	1,714	1,684

Expenditure restatement note

The 2013 numbers have been restated because of the change in charitable expenditure headings. Overall expenditure for 2013 has not changed but has been re-apportioned using the same principles as applied in 2013/14.

This note shows the breakdown of support costs by activity and their allocation against charitable and fundraising activities. The basis of allocation is pro rata to staff salaries.

Notes to the Group financial statements

for the year ended 30 September 2014

6. Employees

	2014 £'000	2013 Restated £'000
Salaries	3,267	2,945
National Insurance contributions	296	291
Employer's pension contributions	186	173
	3,749	3,409
Number of staff (average full-time equivalents during year):	2014	2013
Charitable services	38	31
Fundraising	20	30
Communications	9	8
Central services	13	17
Chief Executive Office	2	2
	82	88
The number of employees receiving remuneration of over £60,000 for the year was as follows:		
	2014	2013
£60,001–£70,000	–	1
£70,001–£80,000	2	2
£80,001–£90,000	1	–

None of the Trustees received any remuneration during the year. Disclosure of payments to Trustees can be found in note 17.

7. Pension costs

The charity does not operate a pension scheme but contributes up to 7.5% of gross salary (rising to 10% for employees with more than five years' service) to employees' personal pension schemes. The pension costs charged amounted to £186,000 (2012/13: £173,000). Contributions to the pensions of higher paid staff (those paid over £60,000 pa) totalling £19,500 are also on the same basis outlined above.

8. Branches

As disclosed in note 1 (i), income received from branches as well as their year-end bank balance have been included in the financial statements.

	2014 £'000	2013 £'000
Amounts remitted by branches in the year	7	1
	Number	Number
Number of received returns incorporated in accounts	-	1
Total number of branches at year end	-	4

9. Fixed assets

	Consolidated			Charity		
	Leasehold improvements £'000	Office equipment & furniture £'000	Total £'000	Leasehold improvements £'000	Office equipment & furniture £'000	Total £'000
Cost						
At 1 October 2013	597	862	1,459	561	821	1,382
Additions	254	2	256	254	2	256
Disposals	(518)	(178)	(696)	(482)	(137)	(619)
At 30 September 2014	333	686	1,019	333	686	1,019
Depreciation						
At 1 October 2013	561	742	1,303	528	709	1,237
Charge for the year	60	64	124	57	56	113
Disposals	(518)	(178)	(696)	(482)	(137)	(619)
At 30 September 2014	103	628	731	103	628	731
Net book value						
At 30 September 2014	230	58	288	230	58	288
At 30 September 2013	36	120	156	34	111	145

Notes to the Group financial statements

for the year ended 30 September 2014

10. Investments: consolidated

	Cash £'000	Listed investments £'000	2014 Total investments £'000	2013 Total investments £'000
Market value as at 1 October 2013	310	7,494	7,804	7,636
			–	–
Purchase of listed equities	(3,013)	3,013	–	–
Disposal proceeds of listed equities	2,241	(2,241)	–	–
Transfer from/(to) Current account	1,499	–	1,499	(350)
Net exchange gains/(loss) on US cash holdings	(8)	–	(8)	(14)
Net investment gains/(loss)	–	(85)	(85)	350
Investment income	202	–	202	224
Investment management fee	(42)	–	(42)	(42)
Market value as 30 September 2014	1,189	8,181	9,370	7,804
Represented by:				
UK listed investments			2,764	2,283
Overseas listed investments			4,650	4,137
UK listed fixed interest securities			767	1,074
Cash awaiting investment			1,189	310
			9,370	7,804

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 2014 was £7,283,000 (2013: £6,472,000).

The increase in value of investments is after deducting management charges of £42,000 (2013: £42,000) and realised gains of £18,000 (2013: gains £171,000).

The investment portfolio included the following investments which individually accounted for more than 5% of the total value at the balance sheet date.

	2014 £'000
Fixed Interest – Jupiter Strategic Bond Fund Account	609
Fixed Interest – GLG Partners Investment Funds	579
Equity – Findlay Park American Funds USD	444
Equity – First State Asia PAC Leaders B Fund	515
Equity – M & G Investment Management LTD Global DIV A INC	411
Investments: charity only	
Investments portfolio	9,370
Investments : Share capital of AEL	100
Investments : Share capital of ATL	–
Total parent charity investments	9,470

The charity owns the whole of the issued share capital of Asthma Enterprises Ltd, a trading subsidiary. The issued share capital of this company is £ 100,002. The charity also owns Asthma Trading Limited, another subsidiary with a share capital of £2. Asthma Trading Limited was wound up during the year.

Notes to the Group financial statements

for the year ended 30 September 2014

11. Debtors

	Consolidated		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade debtors	54	126	16	55
Amounts due from Asthma Enterprises Limited	–	–	78	–
Amounts due from Asthma Trading Limited	–	–	–	112
Income tax recoverable – Gift Aid	33	48	33	48
Other debtors	57	71	57	71
Prepayments	119	166	119	165
Legacy income accrued	231	404	231	404
Donations from subsidiary undertaking	–	–	47	107
	494	815	581	962

Legacies notified including amount accrued at 30 September 2014 amounted to £1.8 million (2012–13: £2.1 million).

12. Creditors amounts falling due within one year

	Consolidated		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade creditors	239	360	238	354
Tax & Social Security	115	99	115	99
Research Grant Creditors	–	67	–	67
Research Grants Accrual	1,992	1,115	1,992	1,115
Amounts due to Asthma Enterprises Limited	–	–	–	23
Other Creditors	271	76	255	67
Other Accruals	302	153	299	150
	2,919	1,870	2,899	1,875

13. Creditors amounts falling after one year

	Consolidated		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Professorial Chair Provision	243	479	243	479
Fellowship Provision	141	352	141	352
Project Grants Provision	272	506	272	506
Centre for Applied Research Provision	1,354	1,811	1,354	1,811
Studentship Provision	218	–	218	–
Innovation Grants Provision	75	–	75	–
	2,303	3,148	2,303	3,148
Provisions				
	Balance at start of the year £'000	Charged to inc/(exp) £'000	Released during year £'000	Balance at end of the year £'000
Provisions for lease dilapidations	100	30	(100)	30

Notes to the Group financial statements

for the year ended 30 September 2014

14. Statement of funds

	Fund balance b/f £'000	Income £'000	Expenditure £'000	Inv fees £'000	(Decrease)/ Increase in investments £'000	Re-allocation between funds £'000	Fund balance C/F £'000
Endowed funds to support restricted research							
Peggy Wells Memorial	64	–	–	(1)	(2)	–	61
Beryl Evetts	402	25	–	(5)	(11)	–	411
Margaret Mitchell Memorial	114	–	–	(2)	(3)	–	109
	580	25	–	(8)	(16)	–	581
Restricted funds							
Research							
Peggy Wells Memorial	–	1	(1)	–	–	–	–
Beryl Evetts	–	7	(7)	–	–	–	–
Margaret Mitchell Memorial	–	2	(2)	–	–	–	–
Research into Asthma	85	787	(822)	–	–	–	50
Community							
Information and Community Education projects	6	101	(107)	–	–	–	–
Education							
Adviceline including the Sarah Leonard & Polly Campbell Funds	58	15	(15)	–	–	–	58
Compare your Care Campaign and Severe Asthma Roundtables	35	133	(102)	–	–	–	66
Education Projects – (Statutory Income)	57	–	(46)	–	–	–	11
European Funding							
European Asthma Research and Innovation Partnership (EARIP)	82	–	(67)	–	–	–	15
Total restricted	323	1,046	(1,169)	–	–	–	200

	Fund balance b/f £'000	Income £'000	Expenditure £'000	Inv fees £'000	(Decrease)/ Increase in investments £'000	Re-allocation between funds £'000	Fund balance C/F £'000
Unrestricted funds							
Designated funds							
Fixed assets fund	156	–	–	–	–	132	288
Research Grants	438	–	–	–	–	229	667
Non designated funds	–	–	–	–	–	–	–
General fund	2,790	8,244	(6,676)	(34)	(77)	(361)	3,886
Total unrestricted	3,384	8,244	(6,676)	(34)	(77)	–	4,841
Total funds	4,287	9,315	(7,845)	(42)	(93)	–	5,622

The Charity excluding subsidiaries generated £9,179,000 income and expended £7,721,000 excluding unrealised investment losses of £93,000 in 2014.

European Asthma Research and Innovation Partnership (EARIP)

EARIP is a consortium of 12 members for which Asthma UK is the co-ordinating partner. As such, Asthma UK receives the total consortium funding from the European Commission and forwards the relevant proportion to consortium members. In line with SORP paragraph II 2, only Asthma UK's share of the consortium funding and expenditure is recognised in the Statement of Financial Activities.

At the end of September, the value of funds belonging to other members but held in our bank accounts is £17,700. This amount has been excluded from the balance sheet in line with SORP regulations.

Notes to the Group financial statements

for the year ended 30 September 2014

	Tangible assets £'000	Investments £'000	Current assets £'000	Current liabilities £'000	Non-current liabilities £'000	Total net assets £'000
The Group's funds are represented by:						
Endowment funds to support restricted research						
Peggy Wells Memorial	–	61	–	–	–	61
Beryl Evetts	–	411	–	–	–	411
Margaret Mitchell Memorial	–	109	–	–	–	109
Restricted income funds						
Research into Asthma	–	–	50	–	–	50
Holidays for children with asthma including the Sarah Leonard & Polly Campbell Funds	–	–	58	–	–	58
Education projects	–	–	66	–	–	66
Education projects – (Statutory income)	–	–	11	–	–	11
European Funding						
European Asthma Research and Innovation Partnership (EARIP)	–	–	15	–	–	15
Unrestricted income funds						
Designated funds						
Fixed asset fund	288	–	–	–	–	288
Research Grants	–	667	–	–	–	667
General fund	–	8,122	1,016	(2,919)	(2,333)	3,886
	288	9,370	1,216	(2,919)	(2,333)	5,622

An explanation of the classes of fund is in note 1 (h).

15. 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.

16. Lease commitments

At 30 September 2014 Asthma UK had annual commitments under non-cancellable operating leases as set out below.

	2014 Land and buildings £'000	2013 Land and buildings £'000
Operating Leases which expire:		
Within one year	5	48
In the second to fifth years inclusive	208	198
Over five years	–	–
	213	246

17. Related party transactions

The Trustees in office during the year are listed on page 30 and 31.

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.

The charity maintains a liability insurance policy that includes indemnity cover for Trustees at a cost to the charity of £ 1,500. The indemnity is limited to £5,000,000 in aggregate.

In accordance with Financial Reporting Standard 8 (Related Party Disclosures) the charity has disclosed the following related party transactions.

During the year, grants were made to organisations associated with people who were Trustees during the year. Those individuals have no involvement with the making of the grant to their organisation.

Trustee	2014 £'000	2013 £'000
Professor Jurgen Schwarze (University of Edinburgh)	50	2,100

At 30 September 2014, the full amount of the grant is outstanding and has been included in the Research Grants Accrual in note 12 and Creditors falling due after one year in note 13.

Two Trustees were reimbursed £ 1,200 (2012–13: £ 1,400 for four Trustees) in respect of travel and other expenses.

Notes to the Group financial statements

for the year ended 30 September 2014

18a. Subsidiaries and joint ventures

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.

Operating results:	2014 £'000	2013 £'000
Sales – to third parties	136	172
– to parent company	19	24
	155	196
Cost of sales	(88)	(89)
Operating profit	67	107
Taxation	(2)	–
Prior year loss brought forward	(10)	–
Net profit	55	107

Total assets of Asthma Enterprises Ltd (AEL) total £245k (2012–13: £225k).

Total liabilities of Asthma Enterprises Ltd (AEL) total £145k (2012–13: £135k).

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

Asthma Trading 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. There were no significant transactions in the year and Trustees resolved to close the company during this financial year.

18b. Respiratory Alliance Limited

Asthma UK was involved in a joint venture called the Respiratory Alliance Limited with three other participants; the British Thoracic Society, British Lung Foundation and Primary Care Respiratory Society. Each subscriber held a 25% interest in the company. Respiratory Alliance Limited is a company incorporated under the Companies Act 2006, registered in England and Wales and limited by guarantee. Due to lack of sustainable funding the joint venture was closed during the year and the company has been wound up.

Respiratory Alliance Limited

Unaudited management accounts for the year ended 30 September 2014

	2014 £'000 Group share (25%)	2013 £'000 Group share (25%)
Total incoming resources	–	56
Total resources expended	–	(16)
Net movements in funds	–	40
Respiratory Alliance Limited		
Unaudited balance sheet as at 30 September 2014		
Fixed assets		
Current assets	–	44
Liabilities	–	(4)
Net assets	–	40

Notes to the Group financial statements

for the year ended 30 September 2014

19. Grants awarded during the year

During the year the Trustees awarded the following grants:

Grant amount £000's	Awarded to	Grant duration	Grant description
97	Prof Andy Wardlaw University of Leicester	4 years	This PhD Studentship will investigate whether there are fungal species that may have a bad effect on asthma that are being missed because we cannot detect them. The study aims to use a cutting edge DNA-based approach to detect and identify fungi from the lungs of people with severe asthma and investigate whether these fungi are capable of inducing allergies
97	Prof Alan Knox University of Manchester	4 years	Professor Knox will be investigating one of the body's 'epigenetic processes' called 'histone arginine methylation', which he believes is involved in switching on the interleukin 8 gene – a chemical that is involved in airway inflammation in people with asthma
97	Dr Lisa Parker University of Sheffield	4 years	A four year PhD Studentship that will investigate how tenascin-C (a protein in the body) may worsen acute asthma attacks in response to the common cold virus
50	Professor Hannah Gould King's College London	1 year	A project aiming to uncover vital information about the role of IgE producing B cells, which will enable us to design new ways of monitoring treatment and to create future therapies
50	Dr Dietmar Zaiss University of Edinburgh	18 months	World class researchers will be working to address the important issue of airway remodelling by investigating whether blocking a protein called Amphiregulin might prevent this life limiting phenomenon from occurring
50	Dr Catherine Vial University of Leicester	14 months	Scientists will be probing the functional role of newly discovered proteins called P2X in allergic asthma as these could be important targets for new asthma medicines in the future
46	Dr Robert Snelgrove Imperial College London	18 months	In this exciting project, researchers will be testing the effectiveness of a new, potentially safer drug that targets the enzyme LTA4H, a key player in allergic asthma
39	Professor Andrew Bush Royal Brompton	12 months	Experts at the Royal Brompton will be taking on the challenge of how to accurately measure lung function in children, potentially enabling better asthma management in the future
50	Professor Clare Lloyd Imperial College London	18 months	Leading scientists will be investigating the role of newly discovered innate lymphoid cells in causing severe asthma attacks in children, with the view to developing better asthma treatments
28	Professor Catherine Hawrylowicz King's College London	18 months	Giants in the field of vitamin D and asthma research aim to devise a method to quickly and non-invasively identify people with severe asthma who do not respond to steroids, which would prevent patients undergoing two week screening with oral steroids, or waiting for results from lengthy blood cultures. They also aim to increase our understanding of how vitamin D works to improve steroid-sensitivity and asthma control
37	Dr Louise Fleming Imperial College London	12 months	Clinicians aim to tackle the thorny issue of adherence in children by investigating whether electronic monitoring devices could accurately capture those children who are not taking their asthma medicines as prescribed
641	Total grants awarded		

Company information

Bankers

National Westminster Bank plc
Tavistock House
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Auditors

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Solicitors

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Trowers and Hamlyn
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London EC3N 4DX

Investment managers

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Property advisers

Kinney Green
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Registered office

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Website: asthma.org.uk

Asthma UK is a company limited by guarantee. Registered in England number 2422401.

Registered charity number 802364. Scottish registered charity number SCO39322.

Supporters

Thank you to all our generous supporters.

Our supporters have helped us make a real difference to the lives of people with asthma over the past year. Although it is not possible to list all those who have made a vital contribution to the charity's work, we would like to make a special mention of some of our key corporate, trust and individual supporters and those who chose to remember us in their will.

Corporate supporters

Asda Pharmacies
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Inman Charity Trustees Limited
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Robert Luff Foundation Limited

Robert O Curle Charitable Trust
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Department of Health
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Margaret J Owen
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Ann E Sharpe
Norman C Spiller
Ann Stuart-Buttle
Yvonne H Tate
Lois Till
John A Wilmshurst
Eva Wright

Lasting memories tributes

Simon Aspland
Charlotte Beech
David Beynon
Natalie Bickerstaff
Cameron Brown
Demi Buchanan
Moirá Buj
Yvonne Bushells
Sarah Carter Edwards
Olivia Chandler
Jessica Charlton
Joe Coppinger
Harry Cuming
Barbara Dannatt
Philippa Darby
Julie & Michael Davis
Maureen Dixon
Paul Faimie

Daniel Finn
Norman Kalmer Todd
Ramandeep Kaur
Evelyn Keys
Stuart Kiddle
Victoria Leach
Sarah Leonard
Elizabeth Logan
Bernadette Lynch
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Ian McKie
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Matthew Tunnicliffe
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Fred Wilkinson
Carol Wilson
Kyle Wollerton
Beryl Wood
Emma & Jonathan Wright
John Wright

Patron, President and Vice Presidents

As at September 2014

Sir Stuart Burgess

Lady Fiona Fowler

Dr A W Frankland DM FRCP

Andrew Gairdner

Dr Donald Lane DM FRCP

Professor Tak Lee MD FRCPath FRCP ScD

Professor John Price MD FRCP FRCPCH

Julian Schild MA ACA

Selina Thistleton-Smith

Professor Dame Margaret Turner-Warwick
DBE MA DM PhD FRCP

So do you care about Asthma in the UK?

Find out more about how you can help people like
Llahnie, Helena, Eddie and Jackie at www.asthma.org.uk

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