

asthma
UK



**Stop asthma attacks.
Cure asthma.**

**Asthma UK Annual Report & Accounts
for the year to 30 September 2017**

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Our mission

Stop asthma attacks. Cure asthma.

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

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

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

We fight asthma in three ways:

Fund world-class research

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

Campaign for change on the issues that affect people with asthma

We constantly challenge complacency about asthma so that everyone knows just how serious asthma is. We campaign and raise awareness of the issues and solutions so everyone gets the basic care that research has proved, time and time again, substantially reduces the risk of an asthma attack. We help people with asthma speak directly to politicians and decision-makers on the issues that are important to them.

Provide expert advice and support

We help people to manage their daily life with asthma effectively. We achieve this by providing access to the best information and advice available through our website and our expert asthma nurse Helpline.

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

Why our work is so important

- ↳ **5.4 million people** in the UK have asthma
- ↳ We still don't know enough about the **different types of asthma** – or how many there may be
- ↳ **1 in 11 children** in the UK has asthma
- ↳ Every **10 seconds** someone has a potentially life-threatening asthma attack
- ↳ **3 people** die from an asthma attack every day in the UK: tragically **two thirds** of these deaths can be prevented
- ↳ Only **a third of people with asthma** have an annual asthma review with inhaler check and an asthma action plan
- ↳ Every **8 minutes** someone is admitted to hospital because of an asthma attack
- ↳ Only **42%** of people with asthma have an asthma action plan, even though you are **4 times more likely** to end up in hospital without one
- ↳ The annual cost to the NHS of managing and treating asthma is more than **£1.1 billion**

Our expert asthma nurses helped over **7,000** people via our telephone Helpline, achieving a fantastic **99%** satisfaction rating

Statement from Chief Executive

Nothing is as frightening as not being able to breathe, or watching helplessly as a loved one struggles to do so, yet that is the reality for someone in the UK every 10 seconds while experiencing a potentially life-threatening asthma attack.

This is what continues to drive our work and our determination to stop asthma attacks and cure asthma. 2016-17 has been a tumultuous year in the UK. While other issues have inevitably dominated the news, getting traction on a national or mainstream level has been hard for many organisations.

Against this backdrop we have focused on strengthening relationships with three groups of people; people affected by asthma who could benefit from advice and support, funders from all sectors who could invest in asthma research, and potential supporters who prefer to engage in giving through digital channels.

I'm very proud that our advice and support services go from strength to strength – bucking the general trend with growth in Helpline calls, increased reach with our highly respected advice and information across even more channels and the start of the strategically important 12-Week Asthma Support Programme pilot. Having the right understanding of asthma, its triggers and what to do when symptoms worsen is key to stopping asthma attacks and we do so in increasingly inventive and creative ways – all focused on the needs of those we serve.

The respect we have gained over the years as a research funder is now being extended to our work to broker ambitious collaborations and ensure asthma is further up other funders' agendas. We use our "soft power" to convene very high-level meetings – all to get the best brains and resources to solve the most pressing asthma priorities. Despite the difficult policy environment, we also continue to use the lived experience of people with asthma to ensure new treatments become available on the NHS.

None of this is possible without the generosity of our supporters. It is a volatile regulatory environment, especially regarding the use of data. However we constantly challenge ourselves to test, learn and refine new ways to engage people affected by asthma as they want to be engaged, both as recipients of our services and financial supporters.

These are challenging times but I would like to assure those who place their faith in us and give their hard-earned money to us that our small and dedicated team is striving every day to make things better for people with asthma.



Kay Boycott
Chief Executive

Our impact in 2016-17

In 2016-17 we outlined our aims to change the lives of people with asthma in five ways

1 Drive world-class asthma research

Our ambition to stop asthma attacks and cure asthma requires continued focus on and investment in research. We aim to balance our own research funding in applied science to prevent attacks in the short to medium term with discovery science that will eventually lead to prevention and cure. This includes investment in funding two research centres and other grant rounds.

We use the Asthma UK-led European Asthma Research & Innovation Partnership (EARIP) priorities to inform our funding. The EARIP priorities also inform our work to persuade other funders to invest in teams, projects and programmes that have the most benefit for people with asthma, including understanding the types of asthma to create new treatments, developing more accurate diagnostics and leveraging technology to improve asthma management.

What we achieved in 2016-17

Asthma UK-funded scientists have published the results of numerous studies that are driving forward the understanding of asthma. This is taking us closer to new treatments and cures for asthma.

For example, Dr Henry McSorley's (Edinburgh) research has found that parasitic worms that live in the intestines, known as roundworms, release a protein molecule called HpARI. This prevents their

hosts from having an allergic reaction and could lead to a new type of asthma treatment.

Scientists at the University of Leicester have used new data-analysis techniques to separate different types of airway pathology in mild, moderate and severe asthma sufferers that could eventually lead to new therapies for asthma targeted to specific patients. Dr Hannah Durrington (Manchester) is studying why asthma varies so much over the course of a day. This is increasing our understanding of daily rhythms in asthma and has the potential to target different treatments at different times of day to improve outcomes.

In our annual research-funding round we awarded two fellowships: a clinical fellowship to test novel technologies with the aim of improving adherence to asthma treatments in children, and a non-clinical fellowship to increase the understanding of how cellular metabolism (chemical reactions that occur in our bodies in order to maintain life) is altered in asthma.

The EARIP Partnership, which was funded by the European Commission (FP-7) and supported by Asthma UK, delivered important publications outlining the research and development "roadmap" (DOI: 10.1183/13993003.02295-2016) and a paper on the state-of-the-art in asthma mechanisms. The roadmap has since been accessed 2,093 times online. Researchers have subsequently used the findings to successfully

apply for a European Respiratory Society-funded Clinical Research Collaboration called SHARP: Severe Heterogenous Asthma Research collaboration, Patient-centered, that will link severe asthma research centres across Europe. This should enable clinical trials to be more efficient and effective and reduce the time it takes to develop and test new treatments.

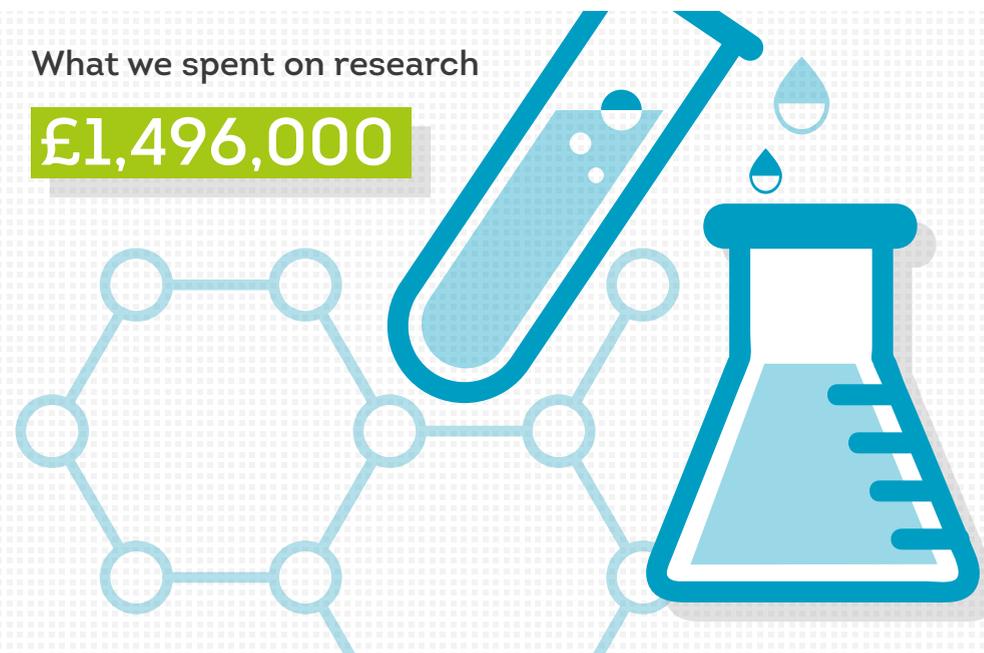
We continue to seek more innovative partnerships with funders to drive greater investment in the 15 asthma research priorities. This included hosting a successful event in London with the Knowledge Transfer Network that brought together scientists, funders, SMEs, pharmaceutical companies, healthcare professionals and people with asthma and focused on the need for better diagnostic tests. Events organised by Asthma UK at the American Thoracic Society Conference explored the future of discovery science in asthma.

Through a pioneering partnership with LifeArc (previously MRC Technology) and AstraZeneca we funded an innovative epigenetics project. Epigenetics is the study of biological ways to turn genes on and off. This means we can change what happens in a cell/lung/person without having to change the gene itself. This study aims to identify epigenetic targets that can change T helper cells 2 (Th2) cell function. Th2 cells produce chemicals called cytokines that cause the inflammation seen in the lungs.

Researchers from the University of Edinburgh (co-lead of the Asthma UK Centre for Applied Research) completed a systematic review of the scientific literature to explore the risk of asthma attacks in children aged five to 12. Their findings showed that it is possible to "spot the child" at risk so we are now exploring how best to use this to help identify these children in practice.

What we spent on research

£1,496,000



2 Campaign for good asthma care

We are operating in a political and policymaker environment where much of the focus is on Brexit and its implications, and the broader NHS issues such as funding, workforce and capacity. This means influencing the NHS to improve care for people with asthma is harder than ever. Routine care is still not being delivered consistently and in too many cases asthma is poorly diagnosed and managed. New treatments for severe asthma are becoming available. However, making sure they get to those who need them requires healthcare professionals to identify and refer them for specialist assessment, and people with severe asthma to recognise the severity of their symptoms and request a referral.

Despite the challenges, there are still some levers we can pull. We can highlight where care and outcomes are poor to prompt local improvements. We can advocate for new thinking in routine care. We can make sure the voices of people with severe asthma are considered when national bodies appraise new treatments or technologies, and we can work in partnership with others to continue to push for broader changes in health policy that would benefit people with asthma.

What we achieved in 2016-17

This year we worked alongside national bodies to bring the voice of people with severe asthma into decisions about whether two new severe asthma treatments, mepolizumab and reslizumab, should be recommended for use in the NHS. Using patient views we were able to ensure that the committee understood the impact of severe asthma and that patients are desperate for treatment options that replace the need for oral corticosteroids. Both treatments have now been approved across the UK which is a huge success. This paves the way for

a new wave of asthma treatments that could be transformative for tens of thousands of people.

Our engagement with people with severe asthma has been strong and their participation in research to elicit their views is critical to achieving our aims. For example over 1,200 people responded to a survey regarding the use of oral corticosteroids (OCS) which enabled Asthma UK to help coordinate a survey with clinicians that will build an understanding of the impact that OCS have on people in order to factor that into medication decisions. Key stakeholders welcomed the publication of our severe asthma report which has been widely disseminated.

In February we launched the **Smart Asthma** report. This outlines the opportunities for smart inhalers to help improve how asthma care is managed by healthcare professionals, and self-managed by people with asthma. With connected devices expected to be increasingly used in the future, the report also considers how widespread deployment of smart inhalers can be facilitated effectively and safely. The report was well received by a broad range of stakeholders, and discussions continue on potential future partnerships.

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

Every 10 seconds someone in the UK is having a life-threatening asthma attack. Every eight minutes, someone is hospitalised by an asthma attack. Of the respondents in our 2016 Annual Asthma Survey, 82% reported that they did not feel in control of their asthma.

Managing asthma is a complex, challenging task, involving a confusing number of treatments, inhaler technique to master and symptoms to monitor.

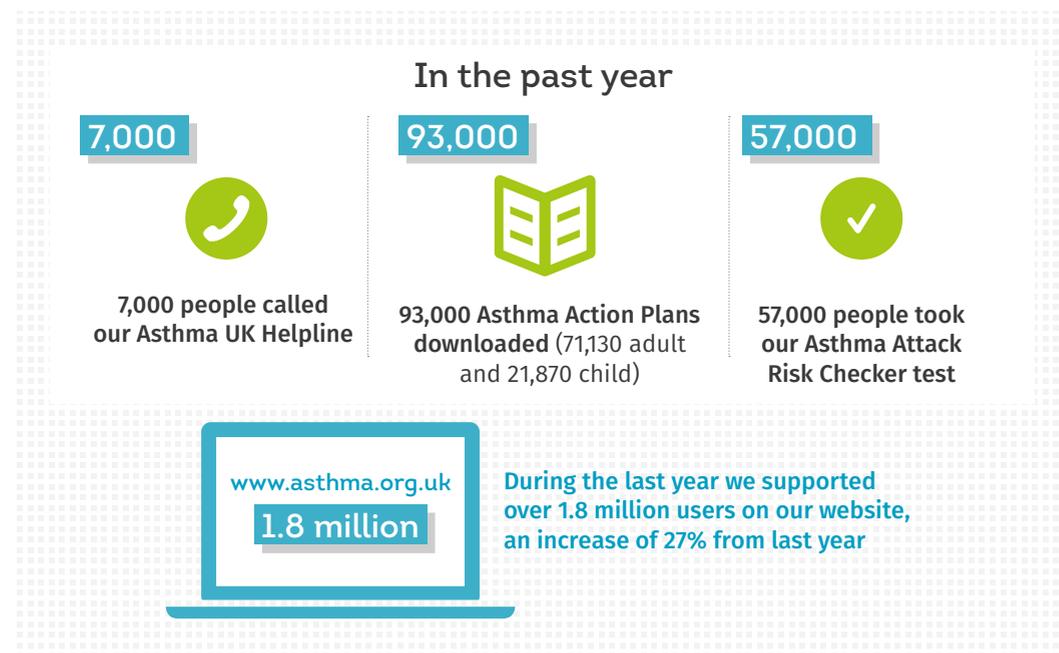
Even people who have lived with asthma for years can face challenges in identifying their triggers, managing their symptoms and keeping on top of the condition. Sometimes people are unaware of the risk of an asthma attack and we need to continually raise awareness of risk factors that can trigger symptoms, such as high pollution levels or pollen.

What we achieved in 2016-17

Throughout 2016-17 we worked to consolidate and build on the successes of our relaunched website and extend our reach into other channels. More than 57,000 people took our Asthma Attack Risk Checker test – a 50% increase over the previous year. Video and social media became an increasingly important part of our engagement with 30,000

Facebook users watching our “Back To School” seasonal campaign and our pollen campaign reaching almost 300,000 on social channels. Our Asthma UK HealthUnlocked forum membership almost doubled over the course of the year and the Helpline answered calls from more than 7,000 people with asthma. Nurses also delivered popular Asthma Q&A sessions on Facebook and created new bite-sized advice videos designed for mobile and widespread sharing on social media.

We launched the pilot for the innovative 12-Week Asthma Support Programme (12WASP), a Department of Health-funded programme supporting asthma self-management delivered through digital and the Helpline service. 12WASP embodies our vision to give ever more personalised lifetime support to people with asthma.



4 End complacency about asthma

People saying “it’s only asthma” makes our blood boil, but sadly complacency about this life-threatening condition still exists, even among people with asthma. We keep challenging mistaken attitudes and beliefs about asthma, and raise awareness of what still needs to be done to stop asthma attacks and cure asthma. We don’t have large budgets but we work creatively to make the strongest case possible on behalf of those we represent.

What we achieved in 2016-17

Our campaigns to highlight the risks posed by seasonal asthma triggers continued to perform well. We also trialed new ways to engage people with our causes, including achieving significant coverage about teenagers with asthma who feel embarrassed to use their inhalers, based on Asthma UK research.

We continue to raise the profile of asthma and change perceptions about its seriousness. Our mainstream media coverage dipped this year but we still achieved almost 20,000 pieces of coverage. However, our social media channels grew by 20% year-on-year, demonstrating the shifts in channel preference for communication. We also grew our database of people opted in to receive asthma updates.

In January 2017, we published the [Annual Asthma Survey](#) 2016 report. This report highlighted the huge impact of asthma on people’s lives, and offered health advice tips for people to manage their asthma. The survey found that two thirds of people with asthma were not receiving basic asthma care. On publication, we received over 150 pieces of media coverage, including major print and broadcast (such as The Times, The Sun, BBC Today, BBC 5 Live and BBC Breakfast), national

online (Guardian, BBC News, Huffington Post, Pulse, ITV.com and others) and over 70 regional newspapers and radio stations.

5 Attract more funding for asthma

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

What we achieved in 2016-17

In a difficult fundraising environment we have explored new ways of raising much-needed funds to help us stop asthma attacks. Our relentless focus on driving activity online is at the heart of our strategy to use our funding effectively. We were delighted to be given the opportunity to be one of only four launch charities to use Facebook Pay.

We have successfully tested online advertising of our weekly lottery and have committed further funds to take advantage of this cost-effective recruitment mechanism.

We have also engaged new lottery players with their asthma. We now send an email inviting players to take our Asthma Attack Risk Checker test. We have achieved a completion rate of 27% and created greater awareness of actions that may stop asthma attacks.

We have also augmented our traditional fundraising activities with new digital initiatives, such as our successful Facebook group for our 2017 London

Marathon team of 245 runners, of whom 129 have asthma.

We have invested in learning and development as we recognise that growth and change can only be delivered through the hard work and skills of our staff. For example, we have started to develop our staff’s digital capability through implementing a “self-drive programme”. This enables fundraisers to make faster changes to how we engage with supporters.

As a charity reliant on voluntary income and the generosity of our supporters, we continually strive to improve our customer service and supporter care by developing our policies and practice. This year we introduced a new Acceptance, Refusal and Refund Policy and enhanced our systems for monitoring outbound telephone calls made by external suppliers on our behalf.

For every pound we spent...



- 31.5p was reinvested in fundraising to make another £1
- 68.5p was spent on charitable activities

“ We supported **1.8 million users** on our website, an increase of **27%** from last year. Digital tools - like our risk checker - have helped **57,000 people** understand their risk of an asthma attack, while **93,000 people** downloaded our Adult Action Plan, helping them to stay well with their asthma

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

GOVERNANCE OVERVIEW

Strong governance is critical to our success

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

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

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

By establishing good governance at Asthma UK we ensure:

- Compliance with laws and regulations.
- That our organisation is well run and efficient.

- That problems are identified early and dealt with appropriately.
- That we achieve impact and that the objectives of the Charity are advanced.

A new governance code, endorsed by the Charity Commission and other industry bodies, was launched during the year. With our Trustees we have ensured we are substantially compliant with the code. The code asks charities to “apply or explain”. The following are areas where we have not applied the code’s provisions and why we have taken that decision:

- The Charity’s Articles allow a maximum of 16 Trustees, a larger Board size than the 12 recommended by the code. We undertake a variety of activities, many of which are in the context of a rapidly changing external environment. A wider range of expertise and experience to draw on during this change is enabled by a larger Board.
- The Board reviews its performance and the performance of individual Trustees every two years, which is considered sufficient. External review every three years, as recommended in the code, will be considered in future.
- Formal targets for diversity of the Board have not previously been set but will be considered. Diversity is always considered in Trustee recruitment.

Our approach to fundraising

We are aware that the ways in which people choose to give are changing. Innovation in this area is critical to ensure that we remain relevant and financially viable. We know that it will take time to develop new fundraising initiatives and recognise that we will need to invest funds and resources in the short-term to ensure that we establish a long-term sustainable fundraising model.

Participation in fundraising regulation and our compliance with codes

We aim to meet best-practice guidelines in how we fundraise from our supporters. We monitor regulatory developments to ensure these standards are maintained, and our fundraising activity is open, legal and fair. We are registered with the Fundraising Regulator and our Fundraising Promise is posted on our website. We have reviewed and updated our approach to data protection in preparation for General Data Protection Regulation (GDPR) coming into effect on 25 May 2018. We take our supporters' requests and the protection of their personal data very seriously. We never swap or sell their data and our supporters can change their communication preferences at any time.

How we protect vulnerable people

All of our staff follow best-practice guidelines for dealing with vulnerable people and our Policy for Fundraising Communications with Vulnerable Supporters is available on our website. Tragically many of our supporters have lost a friend or loved one to an asthma attack and in 2017 we provided refresher training to staff who have direct contact with people bereaved by asthma.

How we monitor our fundraising activities undertaken by third parties

We work with a variety of third parties to raise money, including commercial participators and professional fundraisers. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts in place to ensure this. This year we again employed a telephone agency to call people on our behalf. We provided training to its staff and monitored calls regularly to ensure that they represented Asthma UK appropriately. We developed a Partnerships Policy that includes our approach to corporate partnerships. This is now published on our website.

The number of complaints received

This year we sent out 454,148 fundraising communications and received 31 complaints. In addition, three-and-a-half million clothing collection bags were distributed on our behalf, which resulted in 22 complaints. In total this equates to one complaint for every 74,606 communications sent.

In comparison, the 2016 Fundraising Regulator's annual report showed that across its membership one complaint was received for every 2,114 approaches made.

We take all complaints seriously. Simple complaints are generally dealt with immediately by our Supporter Care Team. In all cases we aim to resolve or acknowledge receipt within five working days and our Fundraising Complaints Procedure is easily found on our website.

Fundraising Preference Service request

In July 2017 the Fundraising Regulator launched the Fundraising Preference Service (FPS) aimed at providing people with the means to stop direct marketing from specific charities without having to contact them directly. Since the FPS launch, Asthma UK has received 11 requests. All but one of the requests asked to stop receiving all fundraising communications while one request was for no further telephone contact.

How our volunteers support us

Asthma UK has a number of committed and active volunteers, many of whom have a personal connection to asthma. Our 200-strong group of Research and Policy volunteers are people with experience of asthma who help us shape and support research projects through deciding which questions are most important to people with asthma, and what research will have the biggest impact on their quality of life. Through various activities including reviewing research applications, attending internal and external meetings and commenting on ethical and consent processes, our volunteers help improve the quality and the quantity of the research that gets funded. Our Council of Healthcare Professionals are professionals who directly deliver care to people with asthma in the NHS and who advise us on strategic issues and guide us on getting the greatest impact for people with asthma. Our Research Review Panel consists of independent experts who meet to review grant applications and make recommendations to Council for funding. Our Lay Advisory Group meets during the year and acts as a strategy sounding board for

Asthma UK's Senior Leadership Team to ensure that our plans and key messages are informed by the insight of people with asthma.

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

Thank you

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

HRH The Duchess of Gloucester, GCVO
Patron

The RT Hon Sir John Major, KG, CH
President

Our aims for 2017-18

Stop asthma attacks. Cure asthma.

Improve asthma management where delivered

Inspire people with asthma to make a positive change

- Raise awareness of the seriousness of asthma, triggers and what to do to prevent an attack – targeting key moments of change.
- Continue to drive reach among people affected by asthma through search, PR and social channels.
- Improve the experience of people with asthma so they engage with Asthma UK more deeply.

Re-imagine asthma self-management through innovation

- Improve the accessibility and engagement of our asthma advice and support, especially with regard to asthma attacks, support with medication, navigating the NHS and support at diagnosis.
- Develop and optimise a new digital support programme to sit alongside our Helpline.
- Start a long-term programme to deliver a user-friendly, clinically verified 24/7/365 virtual asthma nurse service.
- Engage with the wider “eco-system” of asthma innovators.

Demand improvement in the NHS for people with asthma

- Influence the publication and implementation of the new NICE asthma guidelines.
- Champion promising new treatments for adoption in the NHS, challenging the system to identify and prescribe approved treatments to all those entitled to benefit.
- Work in partnership to drive the safe and effective implementation of new models of technology-enabled routine care such as smart inhalers in the UK.
- Contribute to policy developments on health data in the UK relating to its collection, usage and ownership to minimise risk and maximise benefits for people with asthma.

Speed up research against the biggest priorities

- Fund world-class basic and applied science through the Asthma UK Centre in Allergic Mechanisms of Asthma and the Asthma UK Centre for Applied Research.
- Purposefully use funding to stimulate research into new diagnostics.
- Strategically invest so people with asthma benefit from current and future advances in data science and technology-enabled asthma management.
- Seek and broker co-funding opportunities and collaborations that increase the research spend for asthma and contribute to plugging priority research gaps.

Maximise resources for long-term benefit of people with asthma

Develop a sustainable asthma fundraising model for a digital world

- Dynamically manage our fundraising portfolio for long-term financial sustainability.
- Continually improve the end-to-end supporter experience through all channels and actively convert donors with asthma to benefit from our self-management support and vice versa.
- Invest in testing, learning, refining and scaling effective new fundraising products and approaches that fit with the changing data and digital landscape and provide diverse ways to support Asthma UK.
- Seek new funding relationships and meaningful partnerships with companies to accelerate delivery of our mission to stop asthma attacks.

Advance Asthma UK's agility and productivity

- Continually review and invest in the capabilities required to deliver our mission.
- Ensure the value of data held outweighs the cost of its compliant capture and management.
- Protect our resources through robust information governance, cyber security and risk-management.
- Drive a collaborative, high-performance environment that stimulates and inspires our employees to generate new ideas and knowledge to benefit people with asthma.

Financial review

We spent £7.1m in pursuit of our mission: to stop asthma attacks and cure asthma.

Overview

	2016-17	2015-16
	£'000	£'000
Gross income	7,950	8,762
Gross expenditure	7,139	9,292
Net income / (spend) before investment gains	811	(530)
Gain in value of investments	315	1,467

How we spent our money

Total resources expended were £7.1 million. This was £2.1 million lower than the previous year. However in 2015/16 we accounted for a grant covering a five year term, and accounted for in full on renewal, for the Asthma UK Centre in Allergic Mechanisms of Asthma at a cost of £2 million.

This financial year we spent £2.3 million on activity to raise funds (2015-16 £2.2 million). The majority of this spend was focused on activity to generate funds in year, with only minor investment on activity aimed at generating funds in future years.

We spent £0.6 million on research grants in the year (2015-16 £0.6 million excluding the Asthma UK Centre in Allergic Mechanisms of Asthma). In

2016-17, three grants were awarded: two fellowships (clinical and non-clinical) and an innovative project in partnership with LifeArc and AstraZeneca to identify epigenetic targets. We considered funding a further Fellowship; unfortunately there were only 2 applicants recommended by our Research Review Panel. We spent a further £0.9 million on influencing investment in research and stimulating collaborations (2015-16 £1.2 million).

Expenditure on Advice and Support for people with asthma increased by £0.1 million to £2.6 million. We continue to invest in digital services. This is to provide effective health advice through channels many of our beneficiaries prefer to use. During the year, this included producing more videos, planning a WhatsApp service and launching the Asthma Attack Reduction Programme pilot (known externally as the 12-Week Asthma Support Programme) to help better asthma self-management and improve medication adherence.

Spend on Improving Care reduced, from £0.9 million to £0.8 million. We recognise the current NHS and policy environment is crowded with other issues, including Brexit and financial pressures. We have therefore become more targeted in where we seek to influence health policy and have redirected some resources to supporting asthma self-management through our Advice and Support services.

Support costs

Support costs include the Finance, Human Resources and Information Systems teams. Support costs were £0.8 million, a reduction of £0.1 million compared with prior year. We continue to work hard to ensure our support activities are efficient. We believe this represents value against a backdrop of increasing regulatory and compliance requirements. We allocate support costs across Asthma UK's charitable and fundraising activities to reflect usage by activity and by associated headcount as we believe this gives the fairest reflection of how resources have been utilised. Details are shown in Note 7.

How we raised our money

The charity fundraising environment continues to be challenging, particularly for organisations of Asthma UK's size. We strive to meet best practice standards in our fundraising activity as defined by sector regulators. For good reasons these regulatory requirements are increasing, and as a result we are spending more resources on compliance. We do this efficiently and effectively and aim to reassure our supporters that we are fundraising responsibly.

We slightly increased our investment in fundraising in the year. This was specifically on lottery activity

How we used your money



● Raising funds	2,266,000
● Research	1,496,000
● Improving Care	798,000
● Advice and Support	2,579,000

with the aim to increase regular donations and to reach new supporters who, additionally, may benefit from our health advice. We implemented two new digital donation channels in the year to make supporting our cause easier – PayPal and Facebook Pay. We continue to seek to make best use of digital channels for fundraising activity.

Total incoming resources for the year were £8.0m (2015-16 £8.8 million). Legacies received of £3 million were £0.7 million lower than the prior year, which had been unusually high. Legacies continue to be a crucial revenue stream and we are extremely grateful to those who, by leaving bequests to the Charity, enable us to achieve our goals. The level of legacies notified to us, but not certain at the end of September 2017 amounted to £1.4 million. Although lower than at the same time last year, this still provides some assurance for this income stream in 2017-18.

In line with prior year, we raised £0.2 million from a number of pharmaceutical companies, this was primarily to support the second year of our research influencing campaign to raise the profile of the unmet need in asthma and to drive further investment in asthma research and development. This income won't recur in 2017-18. We continued to benefit from £0.3 million from Gifts in Kind supporting our online marketing from the Google Grant programme in recognition of having achieved 'Pro' status.

We received donations from grant making Trusts of £0.4 million, in line with the prior year. Trustees continue to be generous in their support, and take a broad interest in what Asthma UK achieves. Donations have gone towards our research programme, provision of health advice across the UK and for our work in general in support of people with asthma.

Donations from supporters through Community and Events activities raised £1.3 million, in line with the prior year. Thousands of people have helped in hundreds of different ways, from bake sales to cycling across America, and sponsored walks to running marathons. We continue to be grateful to the many people who have supported us in these ways during the past year.

Donations from other individuals totalled £2.1 million (2015-16 £2.4 million). These include regular monthly gifts, which are invaluable in enabling us to plan our work in the context of regular funding. We are also particularly grateful for gifts in memory of a loved one and hope those supporters found this to be a positive way of commemorating a life. Donations are also made in response to fundraising appeals. We manage such appeals responsibly, mindful of the public's concerns about recent poor practise in the sector. As detailed on page 16, complaints made about our fundraising methods remain very low, and compare very favourably to sector average, giving assurance that our judgements in respect of this activity are reasonable.

Unrealised gains on investments were £0.3 million, significantly lower than prior year (2015-16 £1.5 million).

Balance sheet

Our balance sheet has strengthened over the past year with total consolidated reserves increasing by £1.1 million, from £6.8 million to £7.9 million. During the year, Trustees agreed plans to spend reserves above our agreed range and £1.1 million has been designated in the balance sheet at 30 September 2017 in respect of these projects. Restricted funds of £0.5 million

“
Donations from community and events activities raised a fantastic **£1.3 million**
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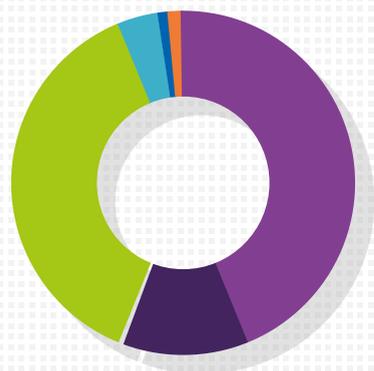
were utilised during the year to fund research grants. These movements, together with the surplus generated in the year, result in general unrestricted reserves increasing from £5.2 million to £5.7 million.

Subsidiary's performance

Asthma Enterprises Limited (AEL) is a wholly owned subsidiary of Asthma UK. It conducts trading activities, largely associated with fundraising, that are not covered by the Charity's main objectives. All profits are transferred to Asthma UK under the company Gift Aid scheme.

This year's turnover was £242,000 (2015-16 £341,000), while the operating profit (before the transfer to Asthma UK) was £191,000 (2015-16 £296,000). An appropriate share of group costs is attributed to AEL. Details of income and expenditure can be seen in Note 4 of the accounts.

Who we received funds from



Individual supporters	3,455,000
Corporate and Trust supporters	994,000
Legacies	3,041,000
Income from Investments	295,000
Trading Income	27,000
Grants	138,000

We increased our spending on Advice and Support for people with asthma and their carers from **£2.5 million to £2.6 million**

Financial position at the end of the year and financial outlook

The fundraising environment for charities, particularly for those of Asthma UK's size, remains difficult. We will continue to encourage more people to donate to our cause through digital channels as the most cost-effective way of reaching our potential supporters and beneficiaries and an efficient way for people to support. Our plans for 2017-18 include continuing investment in digital channels to provide personally relevant health advice to many more people with asthma, by effectively leveraging technology and improving our insight into how to best reach potential beneficiaries who may not otherwise access our support. We are also exploring new income streams for the Charity relating to our digital health product plans.

Recruitment of staff with necessary skills identified as part of our short and medium-term organisation capability planning will continue to be critical; however, this remains challenging for an organisation of our size and sector given a very competitive skills market. We are investing in new People and Organisation capacity and a new HR system to help mitigate risk.

Given high reserves, Trustees have set an operating deficit budget for 2017-18 of £0.2 million. This is made up of a core budget surplus, arising from ongoing activity, of £0.4 million to repay reserves in respect of the Asthma UK Centre in Allergic Mechanisms of Asthma (funded in full in 2015-16), offset by net spend of £0.6 million on specific projects, additional to core activity, agreed to be funded from excess reserves as described above.

The budget for 2017-18 does not assume any investment gains either in the budget year or the year just finished. During 2017-18 the Trustees

will consider spending plans additional to those budgeted to use investment gains and operating surplus arising during 2016-17, and which contribute to reserves above the agreed range.

Prudent assumptions have been made in setting the budget, reflecting the challenging fundraising climate and the Charity's dependence on voluntary donations. The Trustees recognise the risks inherent in the financial plans but are confident there are sufficient mitigations for the budget to be achievable.

Review of reserves

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 2(g) of the accounts; details of individual funds at Note 16.

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

The range of general reserves assessed using this risk-based approach 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 that most of the Charity's income comes from voluntary donations which are uncertain.

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We added to the number of scientists involved in asthma research by funding **two Senior Fellowships**: one clinical and one non-clinical

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During the year the Finance and Audit Committee reviewed both the methodology and the calculation of target reserves and recommended a target range for approval by Council of £3.8 million to £4.4 million. The increase compared with prior year reflects increased income risk and, specifically, uncertainty of new income generating activity.

Unrestricted reserves at the year-end have increased by £0.5 million to £5.8 million as described above (Balance sheet section). This is above the upper range of £4.4 million agreed by Trustees as a result of unrealised investment gains in the year of £0.3 million and the operating surplus £0.4 million higher than had been budgeted. The Trustees will consider plans for spending the excess reserves during the coming year.

Endowment and restricted funds

Endowment and restricted funds at the end of the year amounted to £1.0 million (2015-16: £1.4 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 fixed assets fund represents the book value of the Charity's tangible fixed assets and has been

established in recognition that these assets are not readily convertible into cash and are therefore not available to cover contingencies. At 30 September 2017 the level of this reserve was £0.1 million (30 September 2016: £0.2 million).

Funds of £1.1 million were designated during the year for three specific projects being funded from reserves. These are in respect of building sustainable digital fundraising, developing asthma self-management tools through digital innovation and investing in exceptional patient centric science through co-funding. Of this, £0.6 million is expected to be spent during 2017-18. Explanation of re-allocation between funds is shown in Note 16.

Research grants policy

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

Our investment in research is governed by our Research Governance Policy and this is reviewed by the Trustees annually. Each year there is a rigorous technical review process to ensure research undertaken on behalf of Asthma UK meets the

conditions under which it was granted, our code of ethics and other standards.

It is the Charity's intention to meet the grants obligations unless there is an exceptional reason not to. The selection of research projects for funding is through an established peer-review system which includes lay reviewers, in accordance with the guidelines of the Association of Medical Research Charities. Experts in relevant fields of research are asked to give a commentary and score the grant applications according to their relevance to asthma, our research aims, the quality of the proposed methodology and its value for money.

Investments

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

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

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

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

Investment performance

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

The capital appreciation in the year under review was 2.8% compared with the comparative index of 9.1%. The underperformance followed a weak first quarter followed by 3 quarters with performance above benchmark. The Fund yield was 2.9% compared with the comparative index of 2.8%. At 30 September 2017 the fund asset allocation was 82% in equities and 18% in cash and bonds.

Interest and dividend income in the year from investments and bank deposits amounted to £296,000 (2015-16 £283,000). Unrealised gains on investments were £315,000 (2015-16 £1,467,000).

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

Principal risks and uncertainties

The Finance and Audit Committee oversees Asthma UK's risk-management strategy and monitors the risk-management process. Council receives reports on overall risks and indepth analyses of specific risks.

There is a formal risk-management process in place to allow Trustees and management to assess business risks and implement strategies to manage them where appropriate. The register is reviewed quarterly by the Senior Leadership Team and annually by the Finance and Audit Committee with an ongoing analysis of key risks.

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

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 in the column to the right, together with the mitigation and future actions in place against each one.

The Strategic Report was approved and signed on behalf of the Trustees on 6th March 2018.



Professor Robert Wilson
 Chair, Asthma UK

Risk	Lack of availability of finance to achieve the Charity's strategic objectives or poor use of available resources particularly in fundraising activity.
Mitigation	Investment in digital fundraising and new activity to engage donors; robust business intelligence, investment appraisal and activity test plans; investments held in pooled fund with clear risk profile; reserves policy based on income risk.
Future actions	Improved customer experience to inspire beneficiaries to financial support; grow opportunities for investment in digital health; offer more varied digital tools by which supporters are able to donate; test new fundraising approaches.
Risk	Basics of asthma management and access to effective treatments are not provided within NHS; changing behaviours and preferences of people affected by asthma are not reflected in the provision from Asthma UK or the NHS leading to a decline in self-management of asthma.
Mitigation	Annual care survey awareness raising investment in new self-management support products and services in consultation with users; provision of advisory service to asthma innovators.
Future actions	Long-term digital asthma management roadmap and seek partnerships; investigate alternative funding sources for digital innovation to scale development; continually improve customer experience for people affected by asthma to better enable effective self-management.
Risk	Failure to attract, retain and develop our employees to ensure we have the right skills to deliver our strategy.
Mitigation	Analysis to identify capability gaps in short and medium term to inform strategy and plans; thorough and honest recruitment process; comprehensive induction programme; regular pay benchmarking and review of reward policy; investment in development; staff pulse surveys.
Future actions	New Organisational Development and Talent Management approach to be implemented; further enhancements to mobile working capability.
Risk	Asthma trials and studies fail to achieve targets for recruitment, reducing number of research projects and delaying potential breakthroughs.
Mitigation	Advertise on website; provide trained people with asthma to advise on research plans within Asthma UK Centre of Applied Research deliverables.
Future actions	Scope possible options for Asthma UK to leverage reach into people with asthma to attract more recruitment.

Trustees' Report

Our structure, governance and management

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

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

Structure and management

Asthma UK (the Charity) is a company limited by guarantee (registered company number 02422401) and is a charity registered in England and Wales (802364) regulated by the Charity Commission, and Scotland (SCO39322) regulated by the Scottish Charity Regulator.

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 over 5,000. The day-to-day running of the Charity is the responsibility of the Senior Leadership Team, led by the Chief Executive, Kay Boycott.

Council

Council sets strategic direction and ensures the Charity achieves its objectives. It oversees governance and is responsible for upholding the Charity's values. The Charity's governance complies

with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. It has agreed a schedule of matters reserved to Council that includes approval of annual budgets.

It delegates operational responsibility for the Charity's activities to the Chief Executive and the Senior Leadership Team and provides advice, guidance and support on an ongoing basis. Council comprised 13 Trustees as of 30 September 2017 and met five times during the year, including an Away Day. It is supported by a number of committees to which it delegates certain authorities.

Trustees

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

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

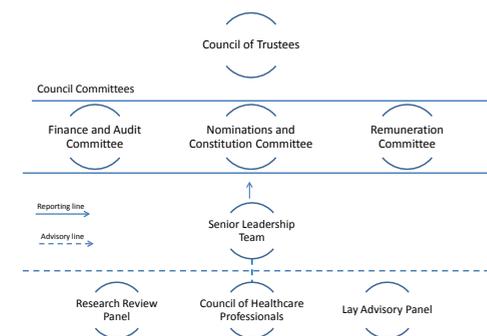
All Trustees must be members of Asthma UK and receive no remuneration other than for expenses incurred as Trustees. Trustee indemnity insurance is in place for the protection of the Trustees.

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

New Trustees are given a tailored induction providing them with information about Asthma UK and their duties as Trustees and Directors. They are encouraged to become involved in the Charity's activities and sub-committees, using their skills and experience, and attend other events held by the Charity so that they become informed and fully involved in all aspects of its work. See pages 36 to 37 for full details of our Trustees.

Committees and advisory groups

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



Council is supported by three committees to which it delegates certain authorities. There are also three advisory groups that provide specialist advice and support.

Finance and Audit Committee

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

Nominations Committee

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

Targeted advertising is used where necessary to attract candidates with specific skills. On completion of the election process the Nominations Committee reviews remaining skills gaps and recommends suitable co-options to Council for formal decision. The Nominations Committee has responsibility for periodic review of the Articles, and the overall governance structure and operation in line with good practice and the latest regulations.

Remuneration Committee

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

Remuneration Policy

The purpose of remuneration is to ensure the Charity is attractive to high-calibre potential employees, help retain its people and support workforce productivity. Asthma UK's ability to achieve positive outcomes for people with asthma is hugely influenced by the commitment, skill and productivity of its staff.

Asthma UK's remuneration package, which encompasses financial and non-financial elements, needs to be relevant to workers in the market sectors in which Asthma UK competes for labour, and underpinned by the Charity's remuneration philosophy.

The remuneration philosophy can be summarised by the following principles:

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

Remuneration for the Chief Executive and senior-level pay is set, maintained and reviewed by the Remuneration Committee. Senior-level pay is handled in the same way as for all other staff in line with the Remuneration Policy.

The Remuneration Committee reviews the Remuneration Policy annually. The Committee is mindful of advice regarding remuneration ratios from the NCVO and the Hutton Review of Fair Pay in the Public Sector and monitors the ratio of the salary of the highest-paid employee to the median salary of the organisation; for the year under review this ratio was 2.7 and within the suggested limit of 4.

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 2016-17 there were 17 members of the Research Review Panel:

- Professor Stephen Anderton
- Dr Stephen Fowler
- Rod Greenhalgh
- Professor Robert Horne
- Dr Gisli Jenkins
- Professor Monica Lakhanpaul
- Professor Jane Lucas
- Jenny Negus
- Professor Graham Roberts
- Dr Ian Sayers
- Philip Seagrave
- Dr Dominick Shaw
- Professor Jonathan Van Tam (Chair)
- Toni Simpson
- Dr Louise Wain
- Professor Andrew Wardlaw
- Dr Mark Wilson

Council of Healthcare Professionals

The Asthma UK Council of Healthcare Professionals provides a source of expert clinical advice to guide the Charity's operational activity and inform our strategy. Drawn from the wider clinical community and representing all sectors (primary, secondary, tertiary and community across the UK), Council members volunteer their time and are able to inform and shape our understanding of emerging clinical issues, opportunities and guidance. Members also work alongside Asthma UK at national level to add their weight to policy.

In 2016-17 there were 12 members of the Council of Healthcare Professionals:

- Dr Noel Baxter
- Dr Louise Fleming (Chair)
- Dr Toby Capstick
- Sally Harris
- Natalie Harper
- Viv Marsh
- Dr Adel Mansur
- Dr Anna Murphy
- Lianne Jongepier
- Anne-Marie Marley
- Dr Dan Menzies
- Deborah Waddell

“
Asthma UK funded
£1,496,000 million in research
in the UK last year
”

Lay Advisory Panel

The Lay Advisory Panel is a group of 15 volunteers made up of people with asthma and carers of people with asthma. The Panel acts as a strategy sounding board for Asthma UK's Senior Leadership Team to ensure that our plans and key messages are informed by the insight of people directly affected by asthma.

In 2016-17 there were 15 members of the Lay Advisory Panel:

- Philip Seagrave (Chair)
- Caroline Smith
- Chandravadan Shah
- Beverley Rose
- Julia Kerr
- Tena Roberts
- Yasmin Hamouda
- Serena Farrow
- Peter Naylor
- Tressey Thompson
- David Bourne
- Malcolm Pilcher
- Max Meltzer
- Angus Bateson
- Elaine Bateson

Employment Policy

It is the Charity's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The Charity does not condone or tolerate any form of discrimination in its recruitment or employment practices.

All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided with fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions.

All the Charity's policies follow these principles. During the year, regular communications to employees have been provided on matters affecting them, including factors affecting the Charity's progress, and they have been consulted on decisions affecting them.

Trustees

Professor Rob Wilson – Chair

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

George Anson

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

Jean-Francois Bessiron

Jean-Francois became a Trustee in March 2017 and brings over 20 years' experience in retailing, both online and offline, in senior leadership positions with large UK and global organisations, including at UK board level. His expertise spans from buying, supply chain, marketing, merchandising and, in the past eight years, digital and technology at Amazon. He has led large commercial divisions and in 2016 launched AmazonFresh, a new online grocery service in the UK. He is currently working on developing Amazon's new Business to Business initiative across Europe.

Jim Bowes

Jim became a Trustee in March 2017 to help Asthma UK maximise the benefits of using digital technology. He is the CEO and co-founder of Manifesto, an award-winning top-100 digital agency and consultancy. Jim set up the London-based business in 2011, designing digital services and products around the needs of users, working predominantly across the health, housing, travel and charity sectors. Jim has worked in digital for over 15 years and presents the podcast Alexa Stop!, which discusses the impact of technology on our lives.

Kate Clarke

Kate is the Chair of our Remuneration Committee, and became a Trustee in 2012. She has a background in marketing, having worked at Mars Confectionery and Kraft Foods. She is keen to use her commercial experience to support and grow Asthma UK's fundraising. Kate is a member of our Research Commercialisation Board.

John Garbutt

John was elected as a co-opted Trustee in March 2015 and was previously a member of Asthma UK's Remuneration Committee. He spent his entire executive career working in financial services in a number of different management posts for a variety of primarily City institutions. For the past 23 years he was a Director at HSBC and retired from the bank in 2013 as Global Head of Corporate

Governance. In 2014 he became a Non-Executive Director of the Stobart Group and Chairman of their Remuneration Committee. Outside work, John is an Alderman in the City, a Justice of the Peace, and a member of numerous charity and finance boards. John resigned as a Trustee in May 2017.

Professor Ian Hall

Ian joined as a Trustee in July 2017. He is currently Director of the NIHR-Nottingham Biomedical Research Centre and works clinically as a respiratory physician, running a specialist clinic for patients with severe asthma in Nottingham. Ian has over 25 years' experience in this clinical area and in 1993 was appointed as the inaugural National Asthma Campaign Senior Research Fellow. Ian has been heavily involved in research management and clinical academic training at a national level, as well as medical education. He chairs the UK Respiratory Research Collaboration. Ian has supported Asthma UK over many years, serving on the Asthma UK research panel, contributing to Asthma UK reports, and participating in workshops for a range of activities including EARIP.

Dr Paul Hodgkin

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

Mary Leadbeater

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

Professor Sir Lewis Ritchie OBE FRSE

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

Martin Sinclair

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

Matthew Smith

Matthew is a Public Law Partner at Bircham Dyson Bell Solicitors. He has more than 20 years' experience of advising on governance and constitutional issues, and the interface between statutory powers and duties, and policy and guidance. He is an expert in public law litigation (especially judicial review and statutory appeals) and has acted in many major public enquiries and investigations, including Bloody Sunday, Hutton, Savile and the Independent Inquiry into Child Sexual Abuse. He joined as a Trustee in 2012 and is Chair of the Nominations Committee. Matt resigned as a Trustee in December 2017.

Jane Tozer MBE OBE

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

John Tucker – Vice Chair

John retired from legal practice in April 2016 after 5 years as a partner of an Australian firm and 26 years as a partner at Linklaters with various board and management responsibilities in London and New York. He is a Director and Finance Committee member of London First and Chairman of Governors at The Study Wimbledon preparatory school for girls. John joined as a Trustee of Asthma UK in June 2015 and is a member of the Remuneration and Nominations Committees. John also holds various consulting roles for established as well as start-up ventures.

Statement of Trustees' responsibilities

We take our responsibilities seriously

The Trustees (who are also Directors of Asthma UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments 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 of "the advancement of health and the saving of lives" as required by the Charities Act 2011.

Auditors

Crowe Clark Whitehill LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Approved and signed on behalf of the Trustees on 6th March 2018.

Professor Robert Wilson
Chair, Asthma UK

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

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

Opinion

We have audited the financial statements of Asthma UK for the year ended 30 September 2017 which comprise the Group Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 September 2017 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have

- not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 38 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the

Acts and relevant regulations made or having effect thereunder.

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

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

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

9th March 2018

Group Statement of Financial Activities

For the year ended 30 September 2017 (incorporating consolidated income and expenditure account)

Notes				2017	2016
	UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL FUNDS	TOTAL FUNDS
	£'000	£'000	£'000	£'000	£'000
Income from:					
Donations and Legacies	6,736	395	30	7,161	7,956
Charitable activities	-	138	-	138	191
Other trading activities	303	53	-	356	331
Investments	263	32	-	295	284
Total Income	7,302	618	30	7,950	8,762
Expenditure on:					
Cost of generating voluntary income	2,266	-	-	2,266	2,171
Investment management costs	-	-	-	-	21
Total expenditure on raising funds	2,266	-	-	2,266	2,192
Net incoming resources available for charitable application	5,036	618	30	5,684	6,570
Charitable activities:					
Research	566	930	-	1,496	3,688
Improving care	798	-	-	798	905
Advice and Support	2,389	190	-	2,579	2,507
Total expenditure on charitable activities	3,753	1,120	-	4,873	7,100
Total expenditure	6,019	1,120	-	7,139	9,292
Net gains/ (losses) on investments	281	-	34	315	1,467
Net income	1,564	(502)	64	1,126	937
Transfers between funds	(12)	12	-	-	-
Net movement in funds	1,552	(490)	64	1,126	937
Reconciliation of funds:					
Fund balances brought forward at 1 October	5,370	698	739	6,807	5,870
Fund balances carried forward at 30 September	6,922	208	803	7,933	6,807

Prior year split between unrestricted and restricted appears in note 23.

There are no unrecognised gains or losses other than those disclosed above. All of the results derive from continuing activities in the period. The accompanying notes are an integral part of this statement of group financial activities. The surplus determined under the Companies Act 2006 is £781,000 (2016: Deficit £522,000)

Balance sheets

As at 30 September 2017. Company Registered Number: 02422401

Notes	CONSOLIDATED		CHARITY	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Fixed assets				
Tangible assets	137	186	137	186
Investments	10,822	9,953	10,922	10,053
Investments - Cash	101	1,630	101	1,630
Total Fixed Assets	11,060	11,769	11,160	11,869
Current assets				
Debtors	656	598	884	790
Cash at bank and in hand	1,440	653	1,108	321
Total Current Assets	2,096	1,251	1,992	1,111
Creditors				
Amounts falling due within one year	3,135	3,195	3,131	3,155
Net current liabilities	(1,039)	(1,944)	(1,139)	(2,044)
Total assets less current liabilities	10,021	9,825	10,021	9,825
Creditors falling due after more than one year	2,088	3,018	2,088	3,018
Net assets	7,933	6,807	7,933	6,807
Represented by:				
Funds				
Endowment funds to support research	803	739	803	739
Restricted income funds	208	698	208	698
Designated for tangible fixed assets	137	185	137	185
Designated funds to support investment projects	1,075	-	1,075	-
Unrestricted funds	5,710	5,185	5,710	5,185
	7,933	6,807	7,933	6,807

The annual Trustees' Report and accounts including notes 1 to 23 were approved by the Trustees on 6th March 2018.

Professor Robert Wilson
Chairman

Martin Sinclair
Chair of Finance & Audit Committee

Group cash flow statement

For the year ended 30 September 2017

	2017	2016
Notes	£'000	£'000
Cash flow from operating activities:		
Net cash provided by operating activities	(481)	604
Cash flow from investing activities:		
Dividends and interest from investments	294	284
Purchase of tangible fixed assets	-	(31)
Proceeds from sale of investments	-	9,487
Purchase of investments	(555)	(9,116)
Decrease of cash held in investment portfolio	-	459
Net cash provided by/(used in) investing activities	(261)	1,083
Change in cash and cash equivalents in the reporting period	(742)	1,687
Cash and cash equivalents at the beginning of the reporting period	2,283	596
Cash and cash equivalents at the end of the reporting period	1,541	2,283
Notes:		
(a) Net income/(expenditure) for the reporting period (as per statement of financial activities)	1,126	937
Adjustments for:		
Depreciation charges	49	59
(Gains)/Losses on investments	(315)	(1,467)
Dividends and interest from investments	(295)	(284)
(Increase)/Decrease in debtors	(58)	(112)
Increase/(Decrease) in creditors falling due within one year	(58)	(16)
Increase in creditors falling due in more than one year	(930)	1,487
Net cash provided by/used in operating activities	(481)	604
(b) Analysis of cash and cash equivalents		
Cash in hand	1,541	2,283

Notes to the Group Financial Statements

For the year ended 30 September 2017

1. Charity Information

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

2. Accounting policies

(a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

Basis of consolidation

The financial statements have been consolidated to include the results of the Charity's subsidiaries using the equity line by line method. Transactions and balances between the charitable company and its subsidiary have been eliminated through the consolidated financial statements. No separate statement of financial activities for the Charity has been prepared for the Charity alone as permitted under Section 408 of the Companies Act 2006. Included in the group results are income of £7,708,000 (2016: £ 8,421,000) expenditure of £7,089,000 (2016: £9,248,000) and net movement in funds of £620,000 (£2016: 640,000) resulting from activities of the Charity.

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

Going concern

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

Public benefit

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

Notes to the Group Financial Statements

For the year ended 30 September 2017

(b) Income

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

Legacies are recognised when all the three criteria below are met:

- Establish entitlement – entitlement to Legacies is taken as the earlier of the final estate accounts being approved or cash received.
- Where receipt is probable – the Charity is aware that probate has been granted.
- The amount is measurable – in practice this could come from final estate accounts and/or cash received.

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

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

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

(c) Expenditure

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

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

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

(d) Allocation of support costs

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

Notes to the Group Financial Statements

For the year ended 30 September 2017

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

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

(e) Pension costs

Asthma UK operates a defined contribution pension scheme for its employees and contributes up to 7.5% of gross salary (rising to 10% for employees with more than 5 years' service). Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

(f) Depreciation

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

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

Tangible fixed assets are stated at cost less accumulated depreciation or any provision for impairment. Items under £2,000 are not capitalised.

(g) Fund accounting

The company maintains four types of funds. General unrestricted funds are funds available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated unrestricted funds are monies set aside Trustees from unrestricted funding for specific purposes. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the designated and restricted funds are set out in the notes to the financial statements. At the year-end any fund deficits are maintained only when the Directors are of the opinion that such deficits will be eliminated by future committed giving. Income and expenditure on these funds are shown as restricted in the SOFA and analysed into the main components in Note 17.

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

(h) Operating leases

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

Notes to the Group Financial Statements

For the year ended 30 September 2017

(i) Taxation

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

(j) Judgements and estimates

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year

(k) Financial instruments

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

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where Asthma UK has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Investments are held at fair value at the balance sheet date, with gains and losses recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

Financial assets comprise cash at bank and debtors, excluding prepayments, as set out in Note 13. Financial liabilities comprise all creditors as set out in Notes 14 and 15. At the balance sheet date the Charity held financial assets at amortised cost of £1,974,000 (2016: £2,754,000). Financial investments at fair value of £10,822,000 (2016: £9,953,000) and Financial liabilities at amortised cost of £5,221,000 (2016: £6,213,000)

Notes to the Group Financial Statements

For the year ended 30 September 2017

3. Income from:

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	2017 TOTAL FUNDS	2016 GROUP FUNDS
	£'000	£'000	£'000	£'000
Income from Donations and legacies				
Legacies	3,041	-	3,041	3,697
Donations & Membership	1,934	174	2,108	2,430
Donations from Trusts	135	246	381	384
Donations from Community and Events Fundraising	1,342	5	1,347	1,214
Gifts in kind	284	-	284	231
	6,736	425	7,161	7,956
Income from charitable activities				
Grants	-	138	138	191
Income from trading activities				
Corporate Income	276	53	329	304
Health advice resources	27	-	27	27
	303	53	356	331
Income from Investments				
Income from Investment portfolio	262	32	294	282
Interest from Bank	1	-	1	2
	263	32	295	284
Total	7,302	648	7,950	8,762

Notes to the Group Financial Statements

For the year ended 30 September 2017

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

Asthma Enterprises Limited, a subsidiary, is registered in England and Wales and its share capital is wholly owned by the Charity and is consolidated in these accounts. The company is responsible for the generation of income through various commercial activities for the financial benefit of the Charity.

Summarised financial results for 2017 and the position of Asthma Enterprises Limited at 30 September 2017, before consolidation were:

	2017	2016
	£'000	£'000
Turnover	242	341
Cost of sales	(47)	(29)
Gross profit	<u>195</u>	<u>312</u>
Administrative expenses	(4)	(16)
Net profit for the year before Gift Aid donation to the Charity	<u>191</u>	<u>296</u>
Gift Aid donation to the Charity	(191)	(296)
Net profit for the year	<u>-</u>	<u>-</u>

Balance sheet

	2017	2016
	£'000	£'000
Current Assets	388	435
Creditors: amounts falling due within one year	(288)	(335)
Net current liabilities	<u>100</u>	<u>100</u>
Net assets	<u>100</u>	<u>100</u>
Share capital	100	100
Shareholders' funds	<u>100</u>	<u>100</u>

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

Notes to the Group Financial Statements

For the year ended 30 September 2017

5. Research

	2017	2016
	£'000	£'000
Awarded during the year	614	2,649
Grants written back	-	(155)
Total research grants charged in the year	<u>614</u>	<u>2,494</u>

6. Expenditure

	2017	2016
	£'000	£'000
This is stated after charging:		
Depreciation	49	59
Auditors remuneration - audit work	25	25
Auditors remuneration - other work	2	5
Operating lease - other	199	199

Notes to the Group Financial Statements

For the year ended 30 September 2017

7a. Analysis of total resources expended

	GRANTS TO INSTITUTIONS	ACTIVITIES UNDERTAKEN DIRECTLY	SUPPORT COSTS	2017 TOTAL	2016 TOTAL RESTATED
	£'000	£'000	£'000	£'000	£'000
Cost of generating funds:					
Fundraising costs	-	2,030	236	2,266	2,171
Investment management fees	-	-	-	-	21
	-	2,030	236	2,266	2,192
Costs of activities in furtherance of the Charity's objects:					
Research	614	767	114	1,496	3,688
Improving Care		689	110	798	905
Advice and Support		2,283	296	2,579	2,507
	614	3,739	520	4,873	7,100
Total	614	5,769	756	7,139	9,292

7b. Allocation of support costs

	FINANCE	CEO	CO SEC	IT	HR	FACILITIES	2017 TOTAL	2016 TOTAL
Fundraising Costs	67	24	8	32	74	31	236	275
Research	32	12	4	15	36	15	114	177
Improving Care	31	11	4	15	34	15	110	143
Advice and Support	83	30	10	40	93	40	296	321
	213	77	26	102	237	101	756	916

Basis of apportionment: total support costs are allocated based on pro-rata staff salaries. No support costs are apportioned to investment management as the administration costs are considered negligible. Governance costs incurred in 2017 were £100,616 (2016: £107,876). Governance costs include staff time spent on this activity, internal and external audit fees, the Charity's AGM and direct costs incurred by the board and its sub-committees which are allocated per distinct budgetary activity.

Notes to the Group Financial Statements

For the year ended 30 September 2017

8. Employees

	2017 £'000	2016 £'000
Salaries	3,380	2,908
National Insurance contributions	335	294
Employer's pension contributions	204	174
	3,919	3,376

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

	2017	2016
£60,001 - £70,000	-	3
£70,001 - £80,000	2	2
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

The pension costs in respect of these employees amounted to £35,400 (2016: £20,800)

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

	2017	2016
Charitable services	42	39
Fundraising	26	24
Central services	15	12
Chief Executive Office	2	2
	85	77

9. Remuneration of the Charity's key management personnel

	2017 £'000	2016 £'000
Total remuneration of key management personnel	553	523

Notes to the Group Financial Statements

For the year ended 30 September 2017

10. Trustees' expenses

None of the Trustees received any remuneration during the year. Trustees' total expenses during the year amounted to £1,134 (2016: £718). These expenses were incurred in respect of necessary duties carried out. Two Trustees (2016: three) received such reimbursements.

The charity maintains a liability insurance policy that includes indemnity cover for Trustees at a cost to the Charity of £1,067. The indemnity is limited to £5,000,000 in aggregate.

11. Fixed assets

	CONSOLIDATED			CHARITY		
	LEASEHOLD IMPROVEMENTS	OFFICE EQUIPMENT & FURNITURE	TOTAL	LEASEHOLD IMPROVEMENTS	OFFICE EQUIPMENT & FURNITURE	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 October 2016	297	269	566	297	269	566
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 September 2017	297	269	566	297	269	566
Depreciation						
At 1 October 2016	112	268	380	112	268	380
Charge for the year	48	1	49	48	1	49
Disposals	-	-	-	-	-	-
At 30 September 2017	160	269	429	160	269	429
Net book value						
At 30 September 2017	137	-	137	137	-	137
At 30 September 2016	185	1	186	185	1	186

Notes to the Group Financial Statements

For the year ended 30 September 2017

12. Investments: consolidated

	2017	2016
	TOTAL INVESTMENTS	TOTAL INVESTMENTS
	£'000	£'000
Market Value as at 1 October 2016	9,953	9,316
Acquisitions	555	9,116
Sales Proceeds	-	(600)
Transfer to Current account	-	(9,379)
Net exchange gains/(loss) on US cash holdings	-	(2)
Net investment gains/(loss)	315	1,469
Investment income	-	54
Investment Management fee	-	(21)
Market Value as 30 September 2017	10,823	9,953
Represented by:		
Newton Income and Growth Fund for Charities	10,823	9,953
	10,823	9,953

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 2017 was £9,070,000 (2016: £8,515,000).

	2017	2016
	TOTAL	TOTAL
	£'000	£'000
Investments: Charity only		
Newton Income and Growth Fund for Charities	10,823	9,953
Investments: Share capital of AEL	100	100
Total Parent Charity Investments	10,923	10,053

At 30 September 2017 the Charity owns the whole of the issued share capital of Asthma Enterprises Ltd, a company which supports the Charity by carrying out ancillary trading activities. The issued share capital of this company is £100,002. The trading results are set out in Note 4.

Notes to the Group Financial Statements

For the year ended 30 September 2017

13. Debtors

	CONSOLIDATED		CHARITY	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	166	136	111	32
Amounts due from Asthma Enterprises Limited	-	-	92	-
Income tax recoverable - Gift Aid	73	42	73	42
Other debtors	80	127	80	127
Prepayments	223	127	223	127
Legacy income accrued	114	166	114	166
Gift aid from Subsidiary undertaking	-	-	191	296
	656	598	884	790

At 30 September 2017, Legacies which had been notified but not recognised as incoming resources in the statement of financial activities had an estimated value of £ 1.4m (2016: £1.7m), which had not been accrued.

14. Creditors amounts falling due within one year

	CONSOLIDATED		CHARITY	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade creditors	103	250	104	250
Tax & Social Security	130	116	130	80
Research Grant Creditors	-	153	-	153
Research Grants Accrual	2,562	2,153	2,562	2,153
Other Creditors	102	178	100	178
Other Accruals	238	345	235	341
	3,135	3,195	3,131	3,155

Notes to the Group Financial Statements

For the year ended 30 September 2017

15. Creditors amounts falling due after more than one year

	CONSOLIDATED		CHARITY	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Research Grants	1,970	2,900	1,970	2,900
Other Creditors	118	118	118	118
	2,088	3,018	2,088	3,018

16. Grants

	2017	2016
	TOTAL	TOTAL
	£'000	£'000
Balance as at 1 October	5,053	3,826
Grants awarded during the year	614	2,649
Grants written back	-	(155)
Payments during the year	(1,135)	(1,114)
Invoices received but not settled at year end	-	(153)
Balance as at 30 September	4,532	5,053
Research Commitments		
Awards falling due within one year	2,562	2,153
Awards falling due after more than one year	1,970	2,900
Total commitments recognised in the balance sheet	4,532	5,053

Notes to the Group Financial Statements

For the year ended 30 September 2017

17a. Statement of Funds - 2017

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

Notes to the Group Financial Statements

For the year ended 30 September 2017

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

Fund balances as at 30th September 2017 are represented by:

	UNRESTRICTED FUNDS	RESTRICTED & ENDOWMENT FUNDS	TOTAL
Tangible Fixed Assets	137	-	137
Investments	10,105	818	10,923
Current assets	1,903	193	2,096
Current liabilities	(3,135)	-	(3,135)
Non-current Liabilities	(2,088)	-	(2,088)
Total Funds	6,922	1,011	7,933

Notes to the Group Financial Statements

For the year ended 30 September 2017

17b. Statement of funds 2016

Notes	01 OCT 15	INCOME	EXPENDITURE	INV FEES	(DECREASE) / INCREASE IN INVESTMENTS	RE-ALLOCATION BETWEEN FUNDS	30 SEP 16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowed funds to support restricted research							
Peggy Wells Memorial	56	-	-	-	14	-	70
Beryl Evetts (a)	418	25	-	(2)	104	-	545
Margaret Mitchell Memorial	99	-	-	-	25	-	124
Total Endowment Funds	573	25	-	(2)	143	-	739
Restricted funds							
Research							
Peggy Wells Memorial	-	3	(3)	-	-	-	-
Beryl Evetts	-	20	(20)	-	-	-	-
Margaret Mitchell Memorial	-	5	(5)	-	-	-	-
Research into Asthma (b)	491	426	(426)	-	-	-	491
Community							
Information and Community Education projects	-	23	(23)	-	-	-	-
Education							
Adviceline including the Sarah Leonard & Polly Campbell Funds	58	19	(19)	-	-	-	58
Compare your Care Campaign and Severe Asthma Roundtables	113	2	(2)	-	-	-	113
Statutory Funding							
Asthma Attack Reduction Programme (c)	-	116	(94)	-	-	-	22
European Funding							
European Asthma Research and Innovation Partnership (EARIP)	26	75	(110)	-	-	23	14
Total Restricted Funds	688	689	(702)	-	-	23	698

Notes to the Group Financial Statements

For the year ended 30 September 2017

17b. Statement of funds 2016 cont.

Notes	01 OCT 15	INCOME	EXPENDITURE	INV FEES	(DECREASE) / INCREASE IN INVESTMENTS	RE-ALLOCATION BETWEEN FUNDS	30 SEP 16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds							
Designated funds							
Fixed assets fund	214	-	-	-	-	(29)	185
Designated funds - Research Grants (d)	903	-	(903)	-	-	-	-
Non Designated funds							
General fund	3,492	8,048	(7,666)	(19)	1,324	6	5,185
Total Unrestricted Funds	4,609	8,048	(8,569)	(19)	1,324	(23)	5,370
Total funds	5,870	8,762	(9,271)	(21)	1,467	-	6,807

(a) Beryl Evetts Fund capital is invested in perpetuity and income restricted for use for research purposes.

(b) Research projects funds are used to meet the direct costs of the Charity's medical-research projects.

(c) The Asthma Attack Reduction Programme is funded by the Department of Health to develop, pilot and deliver behaviour change programme for adults of working age at a higher risk of an asthma attack to improve self-management and adherence to medication.

(d) Designated fund for research was set up in 2015 to fund the renewal of the Asthma UK Centre in Allergic Mechanisms of Asthma. This was allocated against the grant awarded during the year.

Transfers relate to Asthma UK's contribution to support restricted European projects and depreciation charged on fixed assets during 2015-16

Analysis of net assets between funds

	UNRESTRICTED FUNDS	RESTRICTED & ENDOWMENT FUNDS	TOTAL
Fund balances as at 30th September 2016 are represented by:			
Tangible Fixed Assets	186	-	186
Investments	10,352	1,231	11,583
Current assets	1,045	206	1,251
Current liabilities	(3,195)	-	(3,195)
Non-current Liabilities	(3,018)	-	(3,018)
Total Funds	5,370	1,437	6,807

Notes to the Group Financial Statements

For the year ended 30 September 2017

18. Taxation

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

19. Lease commitments

At 30 September 2017 Asthma UK had annual commitments under non-cancellable operating leases as set out below:

	2017 LAND AND BUILDINGS	2017 OTHER	2016 LAND AND BUILDINGS	2016 OTHER
	£000	£000	£000	£000
Operating Leases which expire:				
Within one year	238	11	238	11
in two to five years	950	-	950	-
Over five years	238	-	475	-
	1,426	11	1,663	11

Notes to the Group Financial Statements

For the year ended 30 September 2017

20. Related party transactions

The Trustees in office during the year are listed on page 35.

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.

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	2017 £'000	2016 £'000
Professor Rob Wilson (Imperial College London)	471	150

At 30 September 2017, the full amount of the grant is outstanding and has been included in the Research Grants Accrual in note 14 and Creditors falling due after one year in note 15.

Asthma UK has a trading subsidiary, Asthma Enterprises Limited - transactions in the year are as follows:	2017	2016
Balance brought forward - owed by AEL to the Charity	296,686	145,829
2015 Gift aided profit remitted to the Charity	(296,579)	(75,564)
Monies relating to AEL received/paid by the Charity (net)	89,219	(46,881)
Monies relating to the Charity received/paid by AEL (net)	-	(48,564)
Recharge of staff time for activities of AEL	2,500	25,287
2016 profits of AEL Limited	190,947	296,579
Amount owing from Asthma Enterprises Limited to the Charity	282,773	296,686

Notes to the Group Financial Statements

For the year ended 30 September 2017

21. Grants awarded during the year

During the year the Trustees awarded the following grants:

Grant amount	Awarded to	Grant duration	Grant description
£000's			
250	Dr Louise Fleming	3 years	Identifying and improving adherence in children with asthma using novel technologies
221	Dr Adam Byrne	3 years	Targeting cellular metabolism to treat asthma
108	Prof David Cousins	1 year	Phenotypic screening of human Th2 cells for epigenetic modulators
35	Hilary Pinnock	1 Year	Triple A validation testing
614	Total Grants Awarded		

22. Grants received

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

Funder	2017	2016	Purpose of Funding
	£ '000	£ '000	
Department of Health	122	143	To develop, pilot and deliver behaviour-change programme for adults of working age at a higher risk of an asthma attack to better self-management and improve adherence to medication.

Notes to the Group Financial Statements

For the year ended 30 September 2017

23. SOFA split for prior year (2016) between unrestricted and restricted

	GROUP UNRESTRICTED FUNDS	GROUP RESTRICTED FUNDS	GROUP ENDOWMENT FUNDS	2016 TOTAL FUNDS
	£'000	£'000	£'000	£'000
Income from:				
Donations and Legacies	7,461	470	25	7,956
Charitable activities	-	191	-	191
Other trading activities	331	-	-	331
Investments	256	28	-	284
Total income	8,048	689	25	8,762
Expenditure on:				
Cost of generating voluntary income	2,171	-	-	2,171
Investment management costs	19	-	2	21
Total expenditure on raising funds	2,190	-	2	2,192
Net incoming resources available for charitable application	5,858	689	23	6,570
Charitable activities:				
Research	3,124	564		3,688
Improving care	903	2		905
Advice and Support	2,371	136		2,507
Total expenditure on charitable activities	6,398	702	-	7,100
Total expenditure	8,588	702	2	9,292
Net gains on investments	1,324	-	143	1,467
Net income/(expenditure)	784	(13)	166	937
Transfers between funds	(23)	23	-	-
Net movement in funds	761	10	166	937
Reconciliation of funds:				
Fund balances brought forward at 1 October	4,609	688	573	5,870
Fund balances carried forward at 30 September	5,370	698	739	6,807

Company information

Bankers

National Westminster Bank plc
Tavistock House
Tavistock Square
London, WC1H 9XA

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Trowers & Hamlins
3 Bunhill Row
London EC1Y 8YZ

Investment managers

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

Property advisers

Hall Kemp
37 - 39 Lime Street
London EC3M 7AY

Registered office

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

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