

Asthma Allergy & Inflammation Research Trust Ltd
Financial Statements
Year Ended 31 August 2019

Charity registration number: 1129698
Company registration number: 06767479

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Asthma Allergy & Inflammation Research Trust Ltd

Year Ended 31 August 2019

Charity Reference and Administrative Details

Charity registration number	1129698
Company registration number	06767479
Trustees	Mr F E Anderson Professor S H Arshad (resigned 31 December 2018) Professor D Davies Mr L A S Dunn Professor S T Holgate Professor P H Howarth (resigned 25 September 2019) Professor J Lucas Professor G Roberts Dr J Slater-Jefferies Dr M Synek
Registered office	Mailpoint 810, Level F Southampton General Hospital Tremona Road, Southampton SO16 6YD
Independent Examiner	T C Bentall FCA Tim Bentall LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL
Solicitors	Paris Smith LLP Number 1 London Road Southampton SO15 7AE
Investment managers	Brewin Dolphin 12 Smithfield Street London EC1A 9BD

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (Including Directors' Report)

Year Ended 31 August 2019

The Trustees present their report and the financial statements of the charity for the year ended 31 August 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities (FRS 102)" in preparing the annual report and financial statements of the charity.

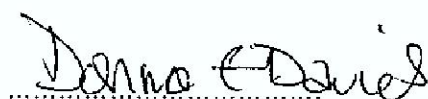
Chair's report

The AAIR Charity is proud to raise funds for the world-renowned asthma, allergy and respiratory research department at University Hospital Southampton Faculty of Medicine. The Faculty has experts who have made many important breakthroughs, from understanding mechanisms of disease to pioneering new treatments and influencing guidelines.

High on the national agenda for 2018-9 is the 'air pollution emergency' which was emphasized by Sir Simon Stevens, Chief Executive of the NHS after a recent report revealed that days of high air pollution trigger more than 500 additional cardiac arrests, strokes or hospitalisations for asthma across nine major UK cities, including Southampton, each year. For many years, researchers in Southampton, led by Professor Stephen Holgate, have been at the forefront of studying the impact of air pollution on the lungs of people who suffer with asthma and other lung diseases, as well as influencing policy. In recognition of his contribution to public health over many decades, particularly air quality, Professor Holgate was awarded the President's Medal by the Royal College of Physicians in November 2018. Professor Holgate has been instrumental in development of new air pollution policies, as well as in formation of the new Southampton Cleaner Air Partnership which brings together experts from the University with local and regional stakeholders in air quality in the Solent region to work together for cleaner air. Our research work on air pollution continues to make advances, focussing especially on particulate matter (PM) in air pollution, especially that derived from different modes of transport (ships, cars and trains). We are particularly interested in ultrafine PM (particles with one dimension smaller than 100 nm diameter) which, unlike larger PM, can reach the delicate gas exchange regions of the lungs (alveoli) and pass into the blood circulation enabling it to have damaging effects on other organs, as well as the lungs. Our work shows that, when considering the health risk of these particles, it is not only their small size that causes a problem, but also their composition which can vary considerably depending on local activity.

Key objectives of the AAIR Charity are to support training and to pump-prime projects. As an example, of the success of our strategy, in 2015 AAIR supported a PhD student project to develop and validate Quality of Life (QOL) questionnaires for school age children and adults with a rare lung disease called primary ciliary dyskinesia (PCD). From this work, QOL-PCD is the first validated outcome measure to monitor disease progression in patients with PCD, and can be used in both clinical practice and research. It has been translated into nine languages and is currently being used as an outcome measure in twenty clinical trials. As a result of its success in older children, the National Institute for Health Research have funded a project to develop a version of QOL-PCD for pre-school children.

On behalf of all the Trustees, I would like to thank our generous donors and benefactors whose continued support is essential for supporting new research into asthma and other diseases. During 2018-9, this support has enabled the AAIR Charity to award grants of more than £250,000 to fund a wide range of new projects, provide studentship support, bursaries for the MSc Allergy Course and equipment grants to support studies of asthma, allergy and other lung diseases. For more information please see our website: (<http://www.aaircharity.org/>).



Professor D Davies
Chair

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2019

Directors and Trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who served during the year and, unless otherwise noted, since the year end, are as follows:

Mr F E Anderson
Professor S H Arshad (resigned 31 December 2018)
Professor D Davies
Mr L A S Dunn
Professor S T Holgate
Professor P H Howarth (resigned 25 September 2019)
Professor J Lucas
Professor G Roberts
Dr J Slater-Jefferies
Dr M Synek

Objectives and activities

Objectives

The objectives of the charity are:

- The relief of sickness by promotion of research into asthma and associated allergy and airways diseases, and its diagnosis and treatment, principally in the Faculty of Medicine of the University of Southampton and, by such research, to improve the quality and range of diagnosis and treatment to be offered to patients, and to publish for general as well as medical consideration the results of such research
- To provide education and training on the diagnosis and treatment of asthma, allergy and airways diseases

The strategies employed to achieve the charity's objectives are:

- To present to pharmaceutical producers a vehicle whereby they can contribute to research in to asthma, allergy and inflammation
- To facilitate the purchase of major items of equipment necessary for such research
- To enable researchers within the Faculty of Medicine at Southampton University to attend seminars and conferences throughout the world relating to asthma, allergy and inflammation
- To support the Faculty of Medicine by financing the research fees for holders of specialist skills as and when appropriate to the objectives of the charity
- To provide a vehicle to hold and disperse funds allocated to investigators for work in asthma, allergy and inflammation within the Faculty of Medicine
- To promote and develop the work and study of academics in asthma, allergy and inflammation within the Faculty of Medicine

Activities

Information about how the above strategies are applied is given in Achievements and Performance (see below).

Policies

The principal policies of the charity are as follows:

Grant making

To ensure the charity's work delivers its aims and objectives, the Scientific Committee reviews all grant applications and makes recommendations for funding or rejection to the full Board of Trustees based on scientific quality and validity, fit to the Charity objectives and how the proposed work will lead to future external funds.

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2019

Objectives and activities (continued)

Grant making (continued)

The charity is particularly keen to support early career researchers to help them to become more established investigators and this is also reflected in the recommendations made by the Scientific Committee. Each grant award is subject to provision of an annual review of progress, which is assessed by a member of the Scientific Committee, and a final report is required. It is a condition of the award that the applicants acknowledge the AAIR Charity in any publications or presentations to scientific or lay audiences.

Investment

The charity has appointed the professional investment advisers, Brewin Dolphin, to manage its investment portfolio on a discretionary basis.

In October 2016, the charity adopted an Investment Policy that:

- Allows the portfolio to be invested widely
- Requires diversification by asset class and manager, so that one half of the total sum invested carries a very low investment risk profile (cash or near cash investments denominated in sterling) and one half of the sum invested carries a moderate investment risk profile. The asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable and does not conflict with the charity's purpose
- Restricts the proportion of investment in non-sterling assets
- Requires all investments to be realisable within three months
- Seeks a return on non-cash balances of inflation plus 4% per annum over the long term, after expenses

The Investment Policy is reviewed annually.

Reserves

Of the total assets held by the charity, some represent funds that are committed to specific purposes, or to grants and awards, in the form of Restricted Funds and Designated Funds (referred to collectively as 'Committed Funds'), the balance being Uncommitted Funds.

As the charity is unable to predict the level of income, particularly donations and legacies, from year to year, the charity's policy is to retain at least £100,000 of Uncommitted Funds, this level being reviewed annually.

The Designated Funds solely represent the charity's committed expenditure on grants awarded to researchers. The awards are usually time-limited, although an extension will be given if there are good reasons for doing so and providing it results in the original purpose of the award being achieved. Any unused grants are retained by the charity and, in due course, removed from Designated Funds.

Some of the Restricted Funds date back many years and the fund-holder may have retired or moved away from AAIR-related research. In such cases, the charity's policy is to encourage the fund-holder to release the monies to the charity to allow further Designated Fund awards to other AAIR researchers. The fund-holders are offered the incentive of having the award named after them. It is the charity's policy not to release unused Restricted Funds to the fund-holders for purposes other than those permitted by the charity's charitable objects.

Public benefit statement

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The charity is committed to promoting research that contributes to the relief of sickness caused by asthma and associated allergy and airways diseases, and to provide education and training on the diagnosis and treatment of asthma, allergy and airways diseases. In carrying out their activities and making their decisions, the trustees are mindful of the need to comply with their duty to have regard to the guidance on public benefit.

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2019

Structure, governance and management

Governing document

The charity is a private company limited by guarantee and is governed by its Memorandum and Articles of Association, dated 3 December 2008. The company was incorporated on 8 December 2008 and registered as a charity on 18 May 2009. With effect from 1 September 2009, the company took over the activities, assets and liabilities of charity number 803715, which was constituted on 1 May 1990 and registered as a charity on 2 July 1990.

Appointment of Trustees

Trustees are recruited from amongst the senior members of the Faculty of Medicine at University Hospital Southampton, members of the medical profession, and members of the general public who are recommended by the trustees and the professional organisations with which the charity is associated.

Trustee induction and training

Potential trustees are required to complete an application form and declaration. Subsequently, they are interviewed by a selection of existing trustees and guided through the workings of the sub-division of the medical faculty known as Asthma, Allergy and Inflammation Research within which the charity mainly operates.

The induction process includes an introduction to the day to day operation and administration of the charity, and being provided with copies of its annual report and accounts, minutes of recent trustees' meetings and references for Charity Commission guidance and information. Prospective trustees are also invited to attend trustees' meetings to observe proceedings before being elected to the board of trustees.

Organisation

The board of trustees, which comprises not less than three members (with no maximum), oversees the charity, with delegated authority being given to two sub-committees:

Finance Committee

The Finance Committee has responsibility for operational and financial management. An administrator provides support and coordinates financial information for the Finance Committee and the board of trustees.

During the year, the committee comprised three trustees: Professor Davies (chair), Mr Anderson and Mr Dunn.

Scientific Committee

The Scientific Committee scrutinises all scientific grant and scholarship applications, providing recommendations to the trustees on those suitable for funding.

During the year, the committee comprised the following trustees: Professor Arshad (chair until his retirement on 31 December 2018), Professor Lucas (chair with effect from 1 January 2019), Professor Davies and Dr Synek. Other, non-trustee, members during the year were Dr Emily Swindle (Associate Professor of Pharmacology) and Dr Mark Jones (Associate Professor of Respiratory Medicine).

Risk management

The trustees evaluate and monitor risk at their meetings and also through the work of their sub-committees. The principal risks are as follows:

- **Safe-keeping and management of money**
The financial risk, including the approach to risk inherent in the charity's investment portfolio, is evaluated and monitored by the Finance Committee, which meets three times each year and reports to the next meeting of trustees. One member of the Finance Committee monitors the financial position at least monthly, liaising with the administrator and professional bookkeeper as required
- **Appropriate scrutiny of grant applications**
The Scientific Committee assesses all applications, ensuring that they provide appropriate use of the charity's resources and fulfil the charity's objectives, and reports to the trustees at their next meeting

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2019

Achievements and performance

Work has continued this year in refining the charity's working practices and record keeping as well as introducing others where necessary. Attendant with the day to day running requirements, the trustees have been particularly careful not to neglect any of the charity's generous donors and volunteers, who have continued to support its work, and thank them all for their support.

Legacies have again proved to be a substantial part of the charity's donated income and for that the trustees are grateful to the estates and relatives of those legators who have been so generous in their thoughts and actions. In most of these cases the charity has had no previous contact with the legators and its thanks to the families of the deceased can only be channelled through a solicitor; it is the trustees' earnest hope that they reach the intended recipients.

The charity's income is such that it is able to continue its assistance in financing research in the Faculty of Medicine, or the allied Wellcome Trust Clinical Research Facility and Biomedical Research Centre, at University Hospital Southampton.

Most importantly the trustees have been able to continue to support the all-important provision of grants for pump-priming research projects (recommended maximum £10,000 per award), equipment grants (often leveraging against funds from elsewhere) and PhD research Studentships.

During the financial year, the charity received £53,590 (2018: £107,794) in donations and legacies, and incurred expenditure totalling £97,877 (2018: £80,137) in pursuance of its objectives. Awards were made to researchers in the Faculty of Medicine, or the allied Wellcome Trust Clinical Research Facility and Biomedical Research Centre, at University Hospital Southampton to support new pump-priming project grants, provide studentship support and/or equipment grants to deliver the objectives of the charity.

The preservation of the integrity of the restricted funds remains high on the charity's priority list. These restricted funds are held for the exclusive use of researchers and, in the main, are directly funded by corporate donations and external research grants. The restricted funds are regularly reviewed by the trustees.

Financial review

The charity achieved an overall deficit for the year (after net gains on investments of £24,708 (2018: £25,743)) of £(10,562) (2018: surplus £56,343). The principal source of funds during the year was legacies, totalling £42,429 (2018: £103,553).

During the year, the charity continued to designate funds, awarding grants of £253,064 (2018: £54,166, net of removing unused grants made in previous years of £3,289).

At the end of the year, unrestricted funds totalled £628,140 (2018: £639,687). Total charity funds, including restricted reserves of £47,301 (2018: £46,316), amounted to £675,441 (2018: £686,003).

The trustees have been giving further consideration to those individual restricted funds that have remained unused for several years, in an attempt to ensure that the funds are used for the purposes intended, or otherwise released to the charity for alternative appropriate purposes.

Details of the charity's policy for holding reserves are included in 'Objectives and activities' (see page 5).

Asthma Allergy & Inflammation Research Trust Ltd

Trustees' Annual Report (including Directors' Report)

Year Ended 31 August 2019

Trustees' responsibilities

The trustees (who are also directors of Asthma Allergy & Inflammation Research Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2015 (FRS 102);
- make judgements and 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 company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 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.

On behalf of the board of trustees:



Professor D Davies, Trustee

Date: 2/3/20

Asthma Allergy & Inflammation Research Trust Ltd

Independent Examiner's Report

Year Ended 31 August 2019

Independent Examiner's Report to the Trustees of Asthma Allergy & Inflammation Research Trust Ltd

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2019 which are set out on pages 10 to 26.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

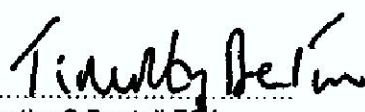
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Timothy C Bentall FCA
Tim Bentall LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Date: 6 March 2020

Asthma Allergy & Inflammation Research Trust Ltd

Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 August 2019

	Note	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Income from:					
Donations and legacies	2	52,605	985	53,590	107,794
Investments	3	9,017	-	9,017	2,943
Total income		61,622	985	62,607	110,737
Expenditure on:					
Charitable activities	4	97,877	-	97,877	80,137
Other	8	-	-	-	-
Total expenditure		97,877	-	97,877	80,137
Net gains on investments	13	24,708	-	24,708	25,743
Net income / (expenditure)		(11,547)	985	(10,562)	56,343
Net movement in funds	16	(11,547)	985	(10,562)	56,343
Reconciliation of funds:					
Total funds brought forward	16	639,687	46,316	686,003	629,660
Total funds carried forward	16	628,140	47,301	675,441	686,003

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Asthma Allergy & Inflammation Research Trust Ltd

Balance Sheet

As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	13	628,206	617,302
Current assets			
Debtors	14	156	1,064
Cash at bank and in hand		71,545	84,803
		<u>71,701</u>	<u>85,867</u>
Creditors: amounts falling due within one year	15	24,466	17,166
Net current assets		<u>47,235</u>	<u>68,701</u>
Total assets less current liabilities		<u>675,441</u>	<u>686,003</u>
Net assets		<u>675,441</u>	<u>686,003</u>
Charity Funds			
Restricted funds	16	47,301	46,316
Unrestricted funds	16	628,140	639,687
Total charity funds	16	<u>675,441</u>	<u>686,003</u>

For the year ending 31 August 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

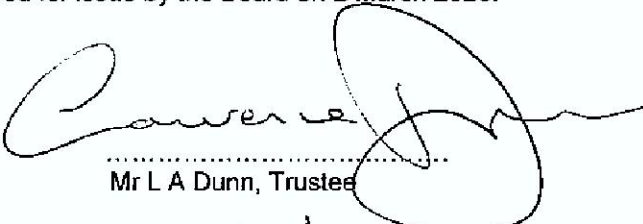
The trustees and directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 2 March 2020.

Signed on behalf of the board of trustees:


.....
Professor D Davies, Trustee

Date: 2/3/20


.....
Mr L A Dunn, Trustee

Date: 2/3/20

The notes on pages 12 to 26 form part of these financial statements.

Company registration number: 06767479

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

1 Summary of significant accounting policies

(a) General information and basis of preparation

Asthma Allergy & Inflammation Research Trust Ltd is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity has applied Update Bulletin 1, as published on 2 February 2016, and does not include a cash flow statement on the grounds that its income is less £500,000.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations: if there are conditions attached to the donation and it requires a level of performance before entitlement can be obtained, income is deferred until those conditions are fully met, or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, they can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure

No amount is included in the financial statements for general volunteer time.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

(c) Income recognition (continued)

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and the charity has been notified of an impending distribution, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. When legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed in the notes to the financial statements.

Investment income is earned through holding assets for investment purposes, such as shares, and includes dividends and interest. Income is included when the amount can be measured reliably and the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following activity headings:

- *Expenditure on charitable activities:* includes the costs of making grant awards in furtherance of the charity's key objectives and their associated support costs; and
- *Other expenditure:* represents those items not being 'expenditure on charitable activities' or the cost of raising funds.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, they are accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside of the control of the charity. Conditional grants are treated as designated funds, details of which are shown in note 16.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities; they include office costs, governance costs and administrative costs that are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they are allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. The basis on which support costs have been allocated are set out in note 5.

(f) Investments

Listed investments are recognised initially at cost, which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(g) Debtors

Debtors receivable within one year are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

(h) Cash at bank and in hand

Cash at bank and in hand includes cash and short term, highly liquid, investments with a maturity of three months or less from the date of acquisition or the opening of the deposit, or similar, account.

(i) Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount.

(j) Financial instruments

The charity only has financial assets and 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.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

Apart from those involving estimates, no key judgements have been made in applying the above accounting policies, which have a significant effect on amounts recognised in the financial statements.

No key assumptions have been made concerning the future, and other key sources of estimation uncertainty, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

	2019 £	2018 £
Gifts	10,511	3,616
Legacies	42,429	103,553
Donated services	650	625
	<hr/> 53,590	<hr/> 107,794

Income from donations and legacies was £53,590 (2018: £107,794) of which £985 (2018: £828) was attributable to restricted and £52,605 (2018: £106,966) to unrestricted funds.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

3 Income from investments

	2019 £	2018 £
Interest on deposits	124	491
Income from listed investments	8,893	2,452
	<u>9,017</u>	<u>2,943</u>

All income from investments in both years was attributable to unrestricted funds.

4 Analysis of expenditure on charitable activities

Expenditure in 2019

	Grant funding of activities £	Support costs £	Total £
Research grant awards	79,910	17,967	97,877
	<u>79,910</u>	<u>17,967</u>	<u>97,877</u>

All the above costs were attributable to unrestricted funds. Details of support costs are given in note 5.

Expenditure in 2018

	Grant funding of activities £	Support costs £	Total £
Research grant awards	65,178	14,959	80,137
	<u>65,178</u>	<u>14,959</u>	<u>80,137</u>

All the above costs were attributable to unrestricted funds. Details of support costs are given in note 5.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

5 Allocation of support costs

All support costs are attributable to the charity's research grant funding activities.

Support costs 2019

	Total £
Governance (note 6)	2,472
Finance	124
Information technology	804
Office costs	6,693
Publicity and advertising	999
Investment management fees	6,077
Professional fees	600
Other	198
Total	<u>17,967</u>

Support costs 2018

	Total £
Governance (note 6)	2,400
Finance	82
Information technology	912
Office costs	6,855
Publicity and advertising	946
Investment management fees	3,517
Other	247
Total	<u>14,959</u>

6 Governance costs

	Note	2019 £	2018 £
Independent examiner's remuneration	10	<u>2,472</u>	<u>2,400</u>
		<u>2,472</u>	<u>2,400</u>

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

7 Investment management costs

	2019 £	2018 £
Investment manager's fees and charges	<u>6,077</u>	<u>3,517</u>
	<u>6,077</u>	<u>3,517</u>

All the above costs in both years were attributable to unrestricted funds.

8 Other expenditure

	2019 £	2018 £
Other research	-	-
Travel expenses	-	-
	<u>-</u>	<u>-</u>

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

9 Analysis of grants

Grants awards are made by designating funds for drawing down by the recipient, subject to the ongoing approval of trustees, normally on a staged basis. Amounts drawn down are included in expenditure on charitable activities (note 4); movements on the designated funds are shown in note 16. Grant awards made during the year were as follows:

Grants 2019

	Grants to individuals £	Total £
Research grants awarded	253,064	253,064
	<hr/> 253,064	<hr/> 253,064

Grants 2018

	Grants to individuals £	Total £
Research grants awarded	57,455	57,455
Removal of unused grants awarded in prior years	(3,289)	(3,289)
	<hr/> 54,166	<hr/> 54,166

10 Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examination fee of £1,236 (2018 - £1,200) and other services of £1,236 (2018 - £1,200).

11 Staff costs and employee benefits

There were no employees or staff costs in the current or prior year.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

12 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018: £nil).

The charity is managed by its trustees and has no other key management personnel.

The reimbursement of trustees' expenses was as follows:

	2019 Number	2018 Number	2019 £	2018 £
Travel	0	0	-	-
Administrative expenses	0	1	-	50
	0	1	-	50

The administrative expenses in 2018 relate to reimbursement of the cost of brass plaques incurred by a trustee on behalf of the charity.

No payments were made directly to third parties in either year.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2018	617,302
Additions	181,601
Disposals	(195,405)
Revaluation	24,708
At 31 August 2019	<u>628,206</u>
Carrying amount:	
At 31 August 2019	<u>628,206</u>
At 31 August 2018	<u>617,302</u>

Fixed asset investments are measured initially at cost and subsequently at fair value (their market value) at the reporting date.

Investments at fair value comprise:

	2019 £	2018 £
Equities	129,185	150,820
Bonds	263,686	324,934
Global investments	134,033	113,980
Absolute return	71,501	8,188
Commodities	16,148	11,936
Other	13,653	7,444
	<u>628,206</u>	<u>617,302</u>

The fair value of listed investments is provided by Brewin Dolphin and, ordinarily, determined by reference to the middle market price at the close of business on the balance sheet date.

14 Debtors

	2019 £	2018 £
Prepayments and accrued income	156	64
Other debtors	<u>0</u>	<u>1,000</u>
	<u>156</u>	<u>1,064</u>

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	24,466	17,166
	<u>24,466</u>	<u>17,166</u>

16 Fund reconciliation

Unrestricted funds

Movements for year ended 31 August 2019

	Balance at 1.9.2018 £	Net movement in funds £	Balance at 31.8.2019 £
Unrestricted	<u>550,601</u>	<u>(184,701)</u>	<u>365,900</u>
Designated funds:			
a) Research grants	61,081	86,037	147,118
b) PhD studentships	<u>28,005</u>	<u>87,117</u>	<u>115,122</u>
	<u>89,086</u>	<u>173,154</u>	<u>262,240</u>
	<u>639,687</u>	<u>(11,547)</u>	<u>628,140</u>

Movements for year ended 31 August 2018

	Balance at 1.9.2017 £	Net movement in funds £	Balance at 31.8.2018 £
Unrestricted	<u>482,238</u>	<u>68,363</u>	<u>550,601</u>
Designated funds:			
a) Research grants	44,832	16,249	61,081
b) PhD studentships	<u>57,102</u>	<u>(29,097)</u>	<u>28,005</u>
	<u>101,934</u>	<u>(12,848)</u>	<u>89,086</u>
	<u>584,172</u>	<u>55,515</u>	<u>639,687</u>

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

Note 16 (continued)

Unrestricted funds: analysis of movements

Movements for year ended 31 August 2019

	Income	Expenditure	Transfers between funds	Gains / (losses)	Net movement for the year
	£	£	£	£	£
Unrestricted	61,622	(17,967)	(253,064)	24,708	(184,701)
Designated:					
a) Research grants		(67,910)	153,947		86,037
b) PhD studentships		(12,000)	99,117		87,117
	61,622	(97,877)	-	24,708	(11,547)

Movements for year ended 31 August 2018

	Income	Expenditure	Transfers between funds	Gains / (losses)	Net movement for the year
	£	£	£	£	£
Unrestricted	109,909	(14,960)	(52,329)	25,743	68,363
Designated:					
a) Research grants	-	(36,080)	52,329	-	16,249
b) PhD studentships	-	(29,097)	-	-	(29,097)
	109,909	(80,137)	-	25,743	55,515

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

Note 16 (continued)

Restricted funds

	Balance at 1.9.2017 £	Net movement in funds £	Balance at 31.8.2018 £	Net movement in funds £	Balance at 31.8.2019 £
Ardern-Jones	6,977	-	6,977	-	6,977
European Asthma	2,830	-	2,830	-	2,830
Friedmann	6,869	-	6,869	-	6,869
Gadola	2,826	-	2,826	-	2,826
Haitchi	-	828	828	985	1,813
Healy	7,107	-	7,107	-	7,107
Holgate Prize Fund	500	-	500	-	500
Vijayanand	6,189	-	6,189	-	6,189
Waller	7,984	-	7,984	-	7,984
Walls	4,206	-	4,206	-	4,206
	45,488	828	46,316	985	47,301

Restricted funds: analysis of movements

Movements for year ended 31 August 2019

	Income £	Expenditure £	Net movement for the year £
Haitchi	985	-	985
	985	-	985

Movements for year ended 31 August 2018

	Income £	Expenditure £	Net movement for the year £
Haitchi	828	-	828
	828	-	828

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

Note 16 (continued)

Fund descriptions

a) Unrestricted funds

All unrestricted funds may be treated as designated.

b) Designated funds

Research grants and PhD Studentships

The funds were established to support the work and study by students and others in asthma, allergy and inflammation within the Faculty of Medicine, or the allied Wellcome Trust Clinical Research Facility and Biomedical Research Centre, at University Hospital Southampton.

c) Restricted funds

Restricted funds are for the purposes described below:

Arderm-Jones

To support the work of Dr Michael Arderm-Jones in dermatology, particularly with the Wessex Dermatology Advisory Committee and the European Society for Dermatological Research.

European Asthma

To promote the European Initiative on Asthma agreed at a European Union meeting in Brussels and overseen by Professor Stephen Holgate.

Friedmann

To support the research and teaching of Professor Peter Friedmann in dermatology and especially his training work in Ethiopia under the auspices of the European Academy of Dermatovenereology.

Gadola and Gadola Ultrasound Initiative

To support the work of Professor Stephen Gadola in ultrasound studies in rheumatology.

Haitchi

To support the work of Professor Haitchi in asthma research.

Healy

To support the work of Professor Eugene Healy, particularly with the British Society for Investigative Dermatology and the European Society of Dermatological Research.

Holgate Prize Fund

To fund a prize for the best medical study project in the MSc Allergy course at University Hospital Southampton.

Vijayanand

To support the work of Dr Vijayanand on viruses.

Waller

To support the work of Dr Derek Waller in allergic disease.

Walls

To fund the International Mast Cell and Basophil Research meetings, held in Southampton.

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

17 Analysis of net assets between funds

As at 31 August 2019

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	347,905	235,000	45,301	628,206
Cash and current investments	21,111	48,434	2,000	71,545
Other current assets / (liabilities)	(3,116)	(21,194)	-	(24,310)
Total	365,900	262,240	47,301	675,441

As at 31 August 2018

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	530,986	42,000	44,316	617,302
Cash and current investments	22,751	60,052	2,000	84,803
Other current assets / (liabilities)	(3,136)	(12,966)	-	(16,102)
Total	550,601	89,086	46,316	686,003

Asthma Allergy & Inflammation Research Trust Ltd

Notes to the Financial Statements

Year ended 31 August 2019

18 Related party transactions

Administrative services

During the year, £4,780 (2018: £4,783) was payable to a company in which the trustee, Mr L A Dunn, has an interest, for administrative services provided to the charity by one of that company's employees.

No benefit accrues to Mr Dunn, or the company in which he has an interest, the additional costs to the company (including salary and Employers' National Insurance) being matched by payments made by the charity. At 31 August 2019, £800 (2018: £800) was accrued in respect of the services provided during the year.

Research grants

Applications to the charity for funding include those made, or supported, by Trustees for research into areas, relating to the charity's objectives, in which they have specific medical expertise. Such applications are scrutinised by the charity's Scientific Committee, using the same process that is applied to all other requests, with the exception that, if the project involves a member of that committee, the relevant Trustees recuse themselves when a decision is made about their application in order to avoid a conflict of interest. Trustees do not benefit directly from the grants awarded.

During the year, three grants for research totalling £24,466 (2018: £nil) were awarded for research projects in which two trustees had an interest. The movements for the year are shown below.

Movements in the year ended 31 August 2019

<i>Trustee's surname</i>	<i>Balance undrawn at 1/9/18</i>	<i>Grants awarded in the year</i>	<i>Expenditure in the year</i>	<i>Balance undrawn at 31/8/19</i>
	£	£	£	£
Davies	6,222	-	6,205	17
Arshad	2,000	-	-	2,000
Roberts	-	4,924	-	4,924
Lucas	-	19,542	-	19,542
	<u>8,222</u>	<u>24,466</u>	<u>6,205</u>	<u>26,483</u>

Movements in the year ended 31 August 2018

<i>Trustee's surname</i>	<i>Balance undrawn at 1/9/17</i>	<i>Grants awarded in the year</i>	<i>Expenditure in the year</i>	<i>Balance undrawn at 31/8/18</i>
	£	£	£	£
Davies	6,222	-	-	6,222
Arshad	2,833	-	833	2,000
	<u>9,055</u>	<u>-</u>	<u>833</u>	<u>8,222</u>

19 Contingent assets – legacy income

At 31 August 2019, the charity had been notified of three (2018: four) residuary legacies, the values of which could not be measured reliably and where payments (and, in one case in both years, further payments) had not been agreed by the executors. At the balance sheet date, the estimated amounts receivable were £174,000 (2018: £170,000).