

CHARITY REGISTRATION NUMBER 1036260

COMPANY REGISTRATION NUMBER 02882989

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------------|---|
| Trustees | Prof. T K Geiser Prof. J A Chorostowska-Wynimko |
| Chief Executive Officer | Prof. T K Geiser |
| Secretary | Prof. T K Geiser |
| Charity number | 1036260 |
| Company number | 02882989 |
| Registered office | 442 Glossop Road Sheffield South Yorkshire S10 2PX |
| Auditors | UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF |
| Bankers | HSBC Bank plc 2 Fargate Sheffield S1 2JS |

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

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EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Objectives and activities

Since the charitable company began its operations on 21 December 1993, its principal activity has been to promote the relief and care of respiratory disorders by aiding research into this area. Donations totalling £29,366 (2021 - £29,462) have been made during the year.

The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the activities are undertaken to further the charitable company's charitable purposes for the public benefit.

The aims of the charity, European Respiratory Society (UK) Limited (ERS (UK) Ltd), are to fund Scientific Research Fellowships. The ERS fellowship programmes aim to promote research and training in respiratory diseases by fostering scientific mobility and collaboration between institutes, boosting careers of young fellowship recipients, creating scientific networks, and retaining promising researchers in Europe. Over the years, ERS has supported many investigators, clinicians and allied health professionals in this way. Fellowship programmes are one of the ERS's main initiatives and investments to support the next generation of scientists and physicians in the respiratory field in Europe, which in turn ultimately benefits healthcare across the UK and Europe for all people.

The grant making policy of the charitable company offers fellowship schemes for professionals actively engaged in clinical and basic research in respiratory medicine and pulmonary practice to carry out specific research and clinical projects or obtain training in a clinical or research unit in another European country.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

In 2022, ERS (UK) Ltd has contributed to 1 fellowship.

The activities of the charitable company during the year were focused around furthering the cause of respiratory medicine throughout the world. To achieve this the European Respiratory Society recognises the need to support scientists, investigators, clinicians and allied healthcare professionals active in the respiratory field in the early phase of their careers. The charity has managed to achieve this by the following methods:

- Supporting short-term research fellowships that enable applicants to visit a research institute with the aim of learning a new research technique for a duration of between one and three months.
- Clinical Training Fellowships that enable members to learn a skill or procedure not available at their home institution.
- RESPIRE4, that is co-funded by the European Union under Horizon2020, and aims to select and support high-profile Marie Skłodowska-Curie Action (MSCA COFUND) fellows with the potential to become the leaders of tomorrow in respiratory research.
- Long-Term Research Fellowships that support young scientist to conduct a research project for a duration between 6 and 12 months, is temporarily on hold for 2022.
- The RESPIRE3 programme will be formally completed in spring/summer 2022 and has fully achieved its targets as per Grant Agreement.
- The Public Health Fellowships and Fellowship in Guideline Methodology have been on hold and their future needs to be discussed with the relevant stakeholders.

The directors feel that good progress has been made in meeting the aims of the charitable company and intend continuing with these activities in the future.

Financial review

The total income received from the UK branch of European Respiratory Society amounted to £6,713 (2021 - £1,773). Expenditure in respect of grants and fellowships decreased to £29,366 in 2022 from £29,462 in 2021. This has meant net expenditure of £23,459 in 2022 compared to net expenditure of £25,793 in 2021. The level of freely available general reserves held at 31 March 2022 was £85,244. The trustees consider that the financial position of the charitable company is satisfactory as at 31 March 2022.

The Trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The major risk to which the charitable company is exposed is the non-receipt of donations. The charitable company's source of donation is from the UK branch of European Respiratory Society. The UK branch pays its taxable distributable profits to the charitable company. It is foreseen that the non-receipt of donations would only happen if the UK branch did not make any profit. To limit this risk the UK branch endeavours to market subscriptions and advertising space.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

In future years, ERS (UK) Ltd would expect to be able to support ERS Fellowships in the same way. As such, ERS (UK) Ltd needs to have a policy for holding reserves and to protect against situations where there may not be any income in a given year, due to unforeseen circumstances. This level of reserves is based on the patterns and trends of fellowships supported in recent years, and is anticipated to allow the charity to operate for approximately 1.5 years.

During 2020 and 2021, the COVID19 global pandemic occurred. The trustees are monitoring the situation and will review the risks to the charity. At present, very few applications for funding are being received as researchers are unable to travel to host locations to start research programmes. Added to this, the trustees will only support research projects when funds allow them to do so and so will preserve the charity's reserves to enable it to continue.

Structure, governance and management

The charitable company is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have any share capital.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Prof. T K Geiser

Prof. J A Chorostowska-Wynimko

The directors are appointed to the charitable company by an election of the members of the ultimate controlling party, The European Respiratory Society based in Switzerland. The directors are changed every three years and when this is due the members are asked to nominate suitable individuals. The proposed directors then have to be supported by enough members to allow their names to be put on the ballot paper. The members then vote to appoint the new directors.

The rules for the appointment and governance of the charity are explained in more detail at www.ersnet.org/the-society/governance-and-transparency/ and www.ersnet.org/wp-content/uploads/2021/09/ERS-ByLaws-2021.pdf

All decisions relating to the granting of Scientific Research Fellowships is made by the fellowships committee of the European Respiratory Society in Lausanne and then some of the fellowships awarded are selected by the charity to fund.

None of the Trustees has any beneficial interest in the company.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

Prof. T K Geiser

Trustee

Dated: 31 August 2022

Prof. J A Chorostowska-Wynimko

Trustee

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also the directors of European Respiratory Society (UK) Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts 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 year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 accounts; and
- prepare the accounts 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 accounts 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

Opinion

We have audited the financial statements of European Respiratory Society (UK) Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its 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.

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 charitable company 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records 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.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED CONTINUED

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose 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 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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

31 August 2022

Chartered Accountants
Statutory Auditor

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

| | | 2022 | 2021 |
|--|-------|----------------------|-----------------------|
| | Notes | £ | £ |
| <u>Income from:</u> | | | |
| Donations | 3 | 6,713 | 1,773 |
| | | <u> </u> | <u> </u> |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 4 | 30,172 | 27,566 |
| | | <u> </u> | <u> </u> |
| Total resources expended | | <u>30,172</u> | <u>27,566</u> |
| Net expenditure for the year/ Net movement in funds | | (23,459) | (25,793) |
| Fund balances at 1 April 2021 | | <u>108,703</u> | <u>134,496</u> |
| Fund balances at 31 March 2022 | | <u><u>85,244</u></u> | <u><u>108,703</u></u> |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing and that all the net movement in funds is attributable to owners of the parent.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED**BALANCE SHEET****AS AT 31 MARCH 2022**

| | | 2022 | | 2021 | |
|---|--------------|---------------|---------------|---------------|----------------|
| | Notes | £ | £ | £ | £ |
| Current assets | | | | | |
| Cash at bank and in hand | | 117,733 | | 140,286 | |
| Creditors: amounts falling due within one year | | | | | |
| Other creditors | 10 | <u>32,489</u> | | <u>31,583</u> | |
| Net current assets | | | 85,244 | | 108,703 |
| Net assets | | | <u>85,244</u> | | <u>108,703</u> |
| Income funds | | | | | |
| Unrestricted funds | | | 85,244 | | 108,703 |
| | | | <u>85,244</u> | | <u>108,703</u> |

The financial statements were approved by the board of directors and authorised for issue on 31 August 2022 and are signed on its behalf by:

Prof. T K Geiser
Trustee

Prof. J A Chorostowska-Wynimko
Trustee

Company Registration No. 02882989

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

European Respiratory Society (UK) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 442 Glossop Road, Sheffield, South Yorkshire, S10 2PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the presentational currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £. The functional currency is that of its parent, Euros, and the presentation currency used is different to this to comply with the currency of the primary economic environment in which the charitable company operates.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when incoming resources are receivable, except insofar as they are incapable of financial measurement.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the year in which they are incurred and include irrecoverable VAT. Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure. No apportionments have taken place.

Grants payable in the furtherance of the charitable company's objects represents grants and fellowships payable to beneficiaries together with directly related expenditure associated with these, i.e. exchange rate gains/losses, bank transfer charges.

Governance costs represents costs of managing and administering the charitable company as a statutory vehicle.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.8 Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the statement of financial activities.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Grants payable in the furtherance of the charitable company's objects

Grants payable represents the amounts awarded to beneficiaries during the period.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations

| | 2022 £ | 2021 £ |
|--|-----------------|-----------------|
| Donations and gifts | 6,713 | 1,773 |
| | <u> </u> | <u> </u> |
| Donations and gifts | | |
| Charitable donation | 5,000 | - |
| Donation towards reimbursement of expenses | 1,713 | 1,773 |
| | <u> </u> | <u> </u> |
| | 6,713 | 1,773 |
| | <u> </u> | <u> </u> |

The above income was received from European Respiratory Society UK Branch relating to the relief and care of respiratory disorders.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Exchange rate variances | (1,222) | (3,669) |
| Insurance | - | 160 |
| Bank charges | 15 | - |
| | <u>(1,207)</u> | <u>(3,509)</u> |
| Grant funding of activities (see note 5) | 29,366 | 29,462 |
| Share of governance costs (see note 6) | 2,013 | 1,613 |
| | <u>30,172</u> | <u>27,566</u> |

5 Grants payable

Fellowships totalling £29,366 (2021: £29,462) were made to 1 (2021: 3) individual during the year.

6 Support costs

| | Support costs | Governance costs | 2022 | Support costs | Governance costs | 2021 |
|------------------------|----------------------|-------------------------|--------------|----------------------|-------------------------|--------------|
| | £ | £ | £ | £ | £ | £ |
| Audit fees | - | 2,000 | 2,000 | - | 1,600 | 1,600 |
| Legal and professional | - | 13 | 13 | - | 13 | 13 |
| | <u>-</u> | <u>2,013</u> | <u>2,013</u> | <u>-</u> | <u>1,613</u> | <u>1,613</u> |
| Analysed between | | | | | | |
| Charitable activities | - | 2,013 | 2,013 | - | 1,613 | 1,613 |
| | <u>-</u> | <u>2,013</u> | <u>2,013</u> | <u>-</u> | <u>1,613</u> | <u>1,613</u> |

Governance costs includes payments to the auditors of £850 (2021- £650) for audit fees and £1,150 (2020- £950) for other services.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company or any other related entity during the year, and no trustee expenses have been incurred.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Employees

Number of employees

| | 2022 | 2021 |
|----------|-----------------|-----------------|
| | Number | Number |
| Trustees | 2 | 2 |
| | <u>2</u> | <u>2</u> |
| | <u><u>2</u></u> | <u><u>2</u></u> |

There were no employees whose annual remuneration was £60,000 or more.

9 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

10 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|----------------------------------|----------------------|----------------------|
| | £ | £ |
| Amount due to parent undertaking | 844 | - |
| Grants payable | 29,745 | 29,983 |
| Accruals and deferred income | 1,900 | 1,600 |
| | <u>32,489</u> | <u>31,583</u> |
| | <u><u>32,489</u></u> | <u><u>31,583</u></u> |

11 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

12 Control

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

The parent's principal purpose is the promotion of lung health and achieves this through research, knowledge sharing and medical and public education.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Subsidiaries

These financial statements are separate company financial statements for European Respiratory Society (UK) Limited. The financial statements present information about the charitable company as an individual undertaking and not as a group. The charitable company's subsidiary company, European Respiratory Society Journals Limited does not form a significant part of the charitable company's financial statements and so consolidated accounts have not been prepared.

Details of the charitable company's subsidiaries at 31 March 2022 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding | % Held | |
|--|--------------------|-----------------------|--------|----------|
| | | | Direct | Indirect |
| European Respiratory Society Journals Limited England and Wales | Not trading | Ordinary | 100.00 | - |

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

| Name of undertaking | Profit/(Loss) | Capital and Reserves |
|---|---------------|----------------------|
| | £ | £ |
| European Respiratory Society Journals Limited | (13) | 708 |

The charitable company was given the whole of the issued share capital of European Respiratory Society Journals Limited (company number 02655805). This company is not trading and had only one transaction during the year being £13 administrative expenses.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.