

Registered number: 5780068
Charity number: 1127115

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2018



Pulmonary Vascular Research Institute
(A company limited by guarantee)

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Pulmonary Vascular Research Institute
(A company limited by guarantee)

Reference and administrative details of the Charity, its trustees and advisers
For the year ended 31 December 2018

Trustees

Professor S Rich
Professor M Wilkins
Professor N W Morrell
Professor S G Haworth
Professor M H Yacoub
Professor P A Corris
Dr Ahvie Herskowitz
Dr A J D M Van Der Bergh
Professor D Doogan (resigned 31 January 2019)

Company registered number

5780068

Charity registered number

1127115

Registered office

33 St George's Place
Canterbury
Kent
CT1 1UT

Chief executive officer and company secretary

Mrs S R Barwick

Independent auditors

Kreston Reeves LLP
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

HSBC Bank plc
9 Rose Lane
Canterbury
Kent
CT1 2JP

Handelsbanken
Ground Floor, St Andrew's House
Station Road East
Canterbury
Kent
CT1 2BJ

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Trustees' report
For the year ended 31 December 2018

The Trustees present their annual report together with the audited financial statements of Pulmonary Vascular Research Institute for the 1 January 2018 to 31 December 2018.

The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The policies and objectives adopted by the Charity are as follows -

- To investigate the incidence, prevalence and pathobiology of pulmonary vascular disease in under served areas that, to date, have not been well characterised; to identify unique characteristics of the illness including its morbidity and mortality; to establish effective therapies which will be accessible to the affected patients.
- To provide expertise to regions of the world with healthcare disparities which will address issues related to the education and training of healthcare professionals in the area of pulmonary vascular disease.
- To focus on improving the treatment of pulmonary vascular disease worldwide, by promoting research, by educating physicians and by assisting the development and conduct of clinical trials following the highest standards of clinical research.
- To provide consultative services to health agencies and industry regarding advancing the treatment of pulmonary vascular disease.

The Trustees confirm that they 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.

The objectives of the Charity are set out above and all of these benefit the public in one way or another. The investigation into pulmonary vascular disease is aimed to benefit the public's health when struck with this disease. The improvement of knowledge, treatment and promotion of research worldwide will again provide a benefit to health care both nationally and worldwide.

b. Activities for achieving objectives

The Charity will address its objectives primarily by the establishment of focused Task Forces that will design and conduct projects across the broad spectrum of research, education and clinical care related to pulmonary vascular disease. The activities of the Charity include, but are not limited to, the following:

- The Charity will function as a 'think tank' and provide expertise to advise physicians, scientists, health authorities and the healthcare industry regarding medical technologies and pharmaceuticals relevant to pulmonary vascular disease.
- The Charity will serve as a bridge between government organisations, NGOs, academia, industry, foundations and various countries.

Pulmonary Vascular Research Institute
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Trustees' report (continued)
For the year ended 31 December 2018

Activities for achieving objectives (continued)

- The Charity will sponsor international clinical and research fellowships along with continuing education to physicians from under served countries who wish to pursue careers in pulmonary vascular disease at recognised Centres of Excellence around the world.
- The Charity will establish an international database on patients with pulmonary vascular disease to allow a meaningful understanding of the similarities and differences in the spectrum of the illness worldwide.
- The Charity will develop web-based, multilingual educational materials, advice and guidelines on the management of pulmonary vascular disease accessible to people involved in healthcare delivery.
- The Charity will conduct workshops on the modern methods to evaluate patients, determine accurate diagnoses and monitor the efficacy of treatments. These will be offered to physicians and non-physicians.
- The Charity will conduct periodic international symposia to disseminate information acquired from the Charity's activities and identify research projects relevant to its activities.
- The Charity will establish a mechanism for the creation of an international biobank to collect specimens from patients with pulmonary hypertension worldwide.
- The Charity will establish international genomic and proteomic reference laboratories to conduct research in the biologic mechanisms causing pulmonary hypertension from different aetiologies.

c. Grant making policies

The Trustees decide periodically how to apply the Charity's incoming resources in accordance with the terms of its constitution.

Achievements and performance

a. Review of activities

2018 has been another year of transition and consolidation. The outline below highlights some of the operational and administrative changes which took place during the year:

Appointment of President Elect

We welcome Werner Seeger (Justus Liebig University Giessen in Germany), who has accepted the role of PVRI President in 2020/21 and will take over from Paul Hassoun in January 2020.

Office Lease

The lease for the PVRI administrative Head Office, at 33 St George's Place, Canterbury, Kent, CT1 1UT, UK was renewed for a further three years to May 2021.

We would like to thank our landlord for providing excellent office space and support.

International Scientific Meetings

As has become tradition in the PVRI calendar, during 2018 we held two major international conferences - the 12th Annual World Congress on PVD in Singapore from 21-26 January and the 5th Annual Drug Discovery & Development Symposium in Bethesda on 9-10 July.

Pulmonary Vascular Research Institute
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Trustees' report (continued)
For the year ended 31 December 2018

Review of activities (continued)

Task Force Activity

The 'unsung heroes' of the PVRI are our Task Force leaders and all our active members throughout the world. It is through them that we fulfil our mission and bring the PVRI to the world. Our sincere thanks to everyone who is involved in a Task Force leaders and members for all their hard work, commitment and support.

PVRI Membership

The PVRI network has expanded to over 6,500 people, spread around 83 different countries. We are immensely proud of our international reach and global representation. Thank you to everyone for your continued support.

PVRI Publications - Pulmonary Circulation

2018 has been a very successful year for Pulmonary Circulation. A total of 137 articles were published during the year and our Impact Factor increased to 2.283 from 2.178. This puts the journal at rank 69 out of 126 journals in cardiology and at 40 out of 59 journals in the respiratory category. This is a great achievement and we would like to thank Editors in Chief Jason Yuan and Nick Morrell for their hard work, as well as Deputy Editors Jurt Stenmark and Irene Lang, and all the Pulmonary Circulation team.

A PC Journal Strategy Day was held on 18 March in London. The day was chaired by Sheila Glennis Haworth and attended by the whole team, as well as our publisher Sage.

PVRI Grants

During the year, we have awarded many grants to PVRI members and we have launched our new PVRI Fellowship and Research Grants.

b. Fundraising activities

With the help of Lynette Swift, a committed volunteer who has spearheaded the PVRI's fundraising activities since 2015, we have raised over £45,000 during the year.

In October, Lynette's son Rupert, who was first diagnosed with pulmonary hypertension in 2006, tragically passed away at the tender age of 32.

In memory of Rupert, we have received private donations of approximately £34,000. The family has decided to establish the Rupert Swift Award, an ongoing fund to support a promising young scientist to present a lecture in Rupert's name at the PVRI Annual World Congress. The recipient of the first Rupert Swift Award will be announced during the Gala Dinner on 2 February 2019.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Pulmonary Vascular Research Institute
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Trustees' report (continued)
For the year ended 31 December 2018

b. Reserves policy

At 31 December 2018, the Charity has reserves of £1,608,266, of which £821,437 are restricted.

The Trustees have reviewed the reserves of the Charity. This review encompassed the nature of the major income and expenditure streams and the need to match income and expenditure. The Charity's principal source of funds is from the Charity's Roundtable membership fees.

As a result of this review, the Trustees confirmed that, to enable the Charity to continue to meet its objectives, to operate efficiently and to provide a buffer for both planned and unexpected costs in respect of the Charity, an unrestricted general reserve of 12 months average expenditure should be maintained. The Trustees are satisfied that the current level unrestricted general reserves are sufficient to cover 12 months average expenditure.

c. Financial review of the year

Thanks to the continued Roundtable membership contributions from the pharma industry, support from the Cardiovascular Medical Research and Education Fund (CMREF), and income from registration fees to our scientific meetings, effective fundraising activities for special projects, our finances are in good shape for the future.

Given the legal complexities in charitable accounting and auditable processes, we have decided to dissolve the PVRI US legal entity, which was confirmed in October 2018. This has allowed us to consolidate all PVRI finances and activities under the management of the UK Head Office.

Structure, governance and management

a. Constitution

The Charity is registered as a charitable company limited by guarantee and does not have any share capital. The company is constituted under the Memorandum of Association dated 12 April 2006, as amended on 31 October 2008. The company number is 5780068.

The registered charity number 1127115.

The principal object of the Charity is the promotion and protection of good health by promoting knowledge and stimulating new ideas in the field of cardiopulmonary medicine, fostering multidisciplinary approaches, collaboration and communication across the science spectrum.

b. Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Trustees continue to seek to identify suitable individuals with an understanding and the knowledge of pulmonary vascular disease and the health care industry with a view to serving on the board. The Trustees have particular skills which enable them to contribute to the work of the Charity. Their knowledge of good practice, changes in legislation and technical issues is supplemented by publications issued by the Charity Commission and other relevant organisations. New Trustees are provided with detailed background information on the Charity, current financial data and other documents relevant to the operation of the Charity.

Pulmonary Vascular Research Institute
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Trustees' report (continued)
For the year ended 31 December 2018

c. Organisational structure and decision making

The organisation of the Charity is as follows:

The Board of Directors who are also Trustees, exercise the general control and management.

The Executive Committee which comprises of the CEO, past and future Presidents and the Treasurer oversees the day to day operations of the Charity.

The Charity have a Marketing Officer and Administrative Assistant to support the increasing membership load and educational activities and to enhance the fundraising activities to sustain the Charity for future years.

d. Risk management

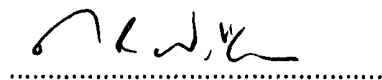
The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on *13.05.19* and signed on their behalf by:



.....
Professor M Wilkins

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Independent auditors' report to the members of Pulmonary Vascular Research Institute

Opinion

We have audited the financial statements of Pulmonary Vascular Research Institute (the 'Charity') for the year ended 31 December 2018 set out on pages 11 to 27. 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 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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.

Pulmonary Vascular Research Institute
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Independent auditors' report to the members of Pulmonary Vascular Research Institute

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 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; or
- 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity 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 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.

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Independent auditors' report to the members of Pulmonary Vascular Research Institute

Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pulmonary Vascular Research Institute
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Independent auditors' report to the members of Pulmonary Vascular Research Institute

Use of our report

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

Kreston Reeves LLP

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury
14 June 2019

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 December 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations & legacies:					
Grants	2	-	264,386	264,386	914,017
Other donations and legacies	2	391,060	-	391,060	457,131
Charitable activities	3	233,218	-	233,218	95,637
Other trading activities	4	6,672	-	6,672	6,976
Investments	5	8,739	-	8,739	1,516
Total income		639,689	264,386	904,075	1,475,277
Expenditure on:					
Raising funds	6	-	-	-	7,588
Charitable activities		698,915	113,086	812,001	1,462,223
Total expenditure	10	698,915	113,086	812,001	1,469,811
Net income / (expenditure) before other recognised gains and losses		(59,226)	151,300	92,074	5,466
Net movement in funds		(59,226)	151,300	92,074	5,466
Reconciliation of funds:					
Total funds brought forward		841,271	670,137	1,511,408	1,505,942
Total funds carried forward		782,045	821,437	1,603,482	1,511,408

The notes on pages 14 to 27 form part of these financial statements.

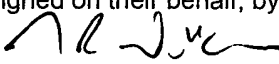
Pulmonary Vascular Research Institute
(A company limited by guarantee)
Registered number: 5780068

Balance sheet
As at 31 December 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		114,879		112,156
Current assets					
Debtors	14	458,357		651,127	
Cash at bank and in hand		1,216,014		1,075,041	
		<u>1,674,371</u>		<u>1,726,168</u>	
Creditors: amounts falling due within one year	15	<u>(185,768)</u>		<u>(326,916)</u>	
Net current assets			<u>1,488,603</u>		<u>1,399,252</u>
Net assets			<u><u>1,603,482</u></u>		<u><u>1,511,408</u></u>
Charity Funds					
Restricted funds	17		821,437		670,137
Unrestricted funds	17		782,045		841,271
Total funds			<u><u>1,603,482</u></u>		<u><u>1,511,408</u></u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 13.05.2019 and signed on their behalf, by:



Professor M Wilkins

The notes on pages 14 to 27 form part of these financial statements.

Pulmonary Vascular Research Institute
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Statement of cash flows
For the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>153,049</u>	<u>36,163</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,739	1,516
Purchase of tangible fixed assets		<u>(20,815)</u>	<u>(23,985)</u>
Net cash used in investing activities		<u>(12,076)</u>	<u>(22,469)</u>
Change in cash and cash equivalents in the year		140,973	13,694
Cash and cash equivalents brought forward		<u>1,075,041</u>	<u>1,061,347</u>
Cash and cash equivalents carried forward	20	<u><u>1,216,014</u></u>	<u><u>1,075,041</u></u>

The notes on pages 14 to 27 form part of these financial statements.

Pulmonary Vascular Research Institute
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies

Pulmonary Vascular Research Institute is a charitable company, limited by guarantee, incorporated in England and Wales.

The Charity's registered office is 33 St George's Place, Canterbury, Kent, CT1 1UT.

The charitable activities of the charity continues to be to bring the best medical professionals in the world together in order to carry out research on pulmonary vascular disease.

1.1 Basis of preparation of financial statements

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) (effective 1 January 2015) - (Charities SORP (FRS 102)) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Pulmonary Vascular Research Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity's functional and presentational currency is Pounds Sterling.

The Charity's financial statements are presented to the nearest pound.

1.2 Company status

The Charity is a company limited by guarantee and does not have a share capital. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Going concern

The Charity's main source of income is from its charitable objectives being the receipt of donations and grants.

In order to meet its day to day working capital requirements the Charity is dependent upon these donations and grants, the nature of which can have considerable unpredictable variation in the timing of cash inflows.

After making enquiries, the Trustees have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Pulmonary Vascular Research Institute
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Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Deferred income

Where income for membership fees in future accounting periods is received in advance, it is recognised as deferred income. The amounts shown in the balance sheet in respect of the deferred income represent the amounts deferred to future accounting periods.

1.6 Expenditure

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 allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	4 years straight line
Computer equipment	-	3 years straight line
Website	-	10 years straight line

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

Pulmonary Vascular Research Institute
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Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Pulmonary Vascular Research Institute
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Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies (continued)

1.15 Fund accounting

General funds are unrestricted funds which 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.

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 costs 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.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
CMREF DDS grants 2018	-	57,586	57,586	55,592
CMREF PC Journal grants	-	-	-	598,425
GSK e-learning	-	206,800	206,800	60,000
Dinosaur Trust	-	-	-	200,000
Subtotal detailed disclosure	-	264,386	264,386	914,017
Donations from pharmaceutical industry and others	287,804	-	287,804	355,192
Donated services	59,738	-	59,738	65,924
Membership income	43,518	-	43,518	36,015
Subtotal	391,060	-	391,060	457,131
Total donations and legacies	391,060	264,386	655,446	1,371,148
Total 2017	457,131	914,017	1,371,148	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Registration fees of scientific meetings	116,432	-	116,432	87,531
Research projects	116,786	-	116,786	8,106
	233,218	-	233,218	95,637
Total 2017	95,637	-	95,637	

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4. Fundraising income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising income	6,672	-	6,672	6,976
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	6,976	-	6,976	
	<u> </u>	<u> </u>	<u> </u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	8,739	-	8,739	1,516
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	1,516	-	1,516	
	<u> </u>	<u> </u>	<u> </u>	

6. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising expenses	-	-	-	7,588
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	7,588	-	7,588	
	<u> </u>	<u> </u>	<u> </u>	

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7. Analysis of expenditure on charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dinosaur Trust research grants	-	-	-	200,000
Fellowship grants	-	-	-	100,000
Publications	653,000	113,086	766,086	989,669
Taskforce projects	17,703	-	17,703	39,392
GSK E-Learning	23,428	-	23,428	133,162
	<u>694,131</u>	<u>113,086</u>	<u>807,217</u>	<u>1,462,223</u>
Total 2017	<u>1,067,933</u>	<u>394,290</u>	<u>1,462,223</u>	

8. Direct costs

	Fundraising costs £	Dinosaur Trust Fellowship grants £	PVRI Fellowship grants £	Registration fees of science £
Task force costs	-	-	-	-
Travelling and accommodation	-	-	-	151,906
Recruitment expenses	-	-	-	13,264
Fundraising expenses	-	-	-	-
Scientific meetings costs	-	-	-	160,420
Fellowship and research grants	-	-	-	-
Wages and salaries	-	-	-	193,809
National insurance	-	-	-	13,155
	<u>-</u>	<u>-</u>	<u>-</u>	<u>532,554</u>
Total 2017	<u>7,588</u>	<u>200,000</u>	<u>100,000</u>	<u>665,996</u>

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8. Direct costs (continued)

	Taskforce projects £	GSK E- learning £	Total 2018 £	Total 2017 £
Task force costs	17,703	-	17,703	39,392
Travelling and accommodation	-	23,428	175,334	272,732
Recruitment expenses	-	-	13,264	16,595
Fundraising expenses	-	-	-	7,588
Scientific meetings costs	-	-	160,420	337,068
Fellowship and research grants	-	-	-	300,000
Wages and salaries	-	-	193,809	161,859
National insurance	-	-	13,155	10,904
	<u>17,703</u>	<u>23,428</u>	<u>573,685</u>	<u>1,146,138</u>
Total 2017	<u>39,392</u>	<u>133,162</u>	<u>1,146,138</u>	

9. Support costs

	Scientific meetings 2018 £	Total 2018 £	Total 2017 £
Telephone, computer and internet charges	12,195	12,195	9,743
Printing and stationary costs	1,257	1,257	647
Office rent and service charges	16,524	16,524	13,584
Advertising and marketing	13,097	13,097	8,559
Sundry expenses	7,837	7,837	1,762
Other accountancy fees	6,627	6,627	8,342
Exchange rate variance	(35,907)	(35,907)	84,100
Legal and professional fees	6,574	6,574	3,050
Bookkeeping	10,339	10,339	8,767
Business consultancy	134,312	134,312	86,722
Interest payable	-	-	235
Bank charges	8,726	8,726	5,716
Google Advertising	32,707	32,707	65,924
Insurance	4,167	4,167	3,215
Repairs and renewals	319	319	4,632
Auditors' remuneration	1,450	1,450	1,450
Depreciation	18,092	18,092	17,225
	<u>238,316</u>	<u>238,316</u>	<u>323,673</u>
Total 2017	<u>323,673</u>	<u>323,673</u>	

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10. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	-	-	7,588
Costs of raising funds	-	-	-	-	7,588
Dinosaur Trust fellowship grants	-	-	-	-	200,000
PVRI Fellowship grants	-	-	-	-	100,000
Publications	206,964	18,092	545,814	770,870	989,669
Taskforce projects	-	-	17,703	17,703	39,392
GSK E-learning	-	-	23,428	23,428	133,162
Charitable activities	206,964	18,092	586,945	812,001	1,462,223
	206,964	18,092	586,945	812,001	1,469,811
Total 2017	172,763	17,225	1,279,823	1,469,811	

11. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	18,092	17,225
Auditors' remuneration - audit	1,450	1,450
Auditors' remuneration - other services	16,848	17,109
Exchange rate variance	(40,691)	84,100
Operating lease rentals:		
- other operating leases	9,415	9,000

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

9 Trustees received reimbursement of expenses amounting to £40,641 in the current year, (2017 - 10 Trustees - £41,377).

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12. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	193,809	161,859
Social security costs	13,155	10,904
	<u>206,964</u>	<u>172,763</u>

The average number of persons employed by the Charity during the year was as follows:

	2018 No.	2017 No.
Staff	4	3

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

During the year, the total amount of employees benefits received by key management personnel for their services to the Charity is £75,000 in remuneration, £9,197 in national insurance with no pension contributions (2017: £65,000 in remuneration, £7,846 in national insurance with no pension contributions).

13. Tangible fixed assets

	Office equipment £	Computer equipment £	Website £	Total £
Cost				
At 1 January 2018	1,167	17,389	126,869	145,425
Additions	1,284	3,903	15,628	20,815
At 31 December 2018	<u>2,451</u>	<u>21,292</u>	<u>142,497</u>	<u>166,240</u>
Depreciation				
At 1 January 2018	754	9,696	22,819	33,269
Charge for the year	409	4,996	12,687	18,092
At 31 December 2018	<u>1,163</u>	<u>14,692</u>	<u>35,506</u>	<u>51,361</u>
Net book value				
At 31 December 2018	<u>1,288</u>	<u>6,600</u>	<u>106,991</u>	<u>114,879</u>
At 31 December 2017	<u>413</u>	<u>7,693</u>	<u>104,050</u>	<u>112,156</u>

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14. Debtors

	2018 £	2017 £
Due after more than one year		
Grants receivable	107,421	250,348
Due within one year		
Prepayments and accrued income	57,828	32,898
Grants receivable	293,108	367,881
	<u>458,357</u>	<u>651,127</u>

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	4,700	4,114
Accruals and deferred income	181,068	322,802
	<u>185,768</u>	<u>326,916</u>

16. Financial instruments

	2018 £	2017 £
Financial assets measured at amortised cost	<u>405,313</u>	<u>618,229</u>
Financial liabilities measured at amortised cost	<u>181,068</u>	<u>322,802</u>

Financial assets measured at amortised cost comprise of grants receivable.

Financial liabilities measured at amortised cost comprise of accruals.

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17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
Designated funds				
Rupert Swift Award Fund	-	34,155	-	34,155
General funds				
General fund	841,271	605,534	(698,915)	747,890
Total Unrestricted funds	841,271	639,689	(698,915)	782,045
Restricted funds				
Drug Discovery and Development Symposium fund	52,545	57,586	(41,330)	68,801
GSK e-learning	19,167	206,800	(23,428)	202,539
PC Journal	598,425	-	(48,328)	550,097
	670,137	264,386	(113,086)	821,437
Total of funds	1,511,408	904,075	(812,001)	1,603,482

Designated funds

The Rupert Swift Award Fund has been designated by the Trustees as the income represents money received by Pulmonary Vascular Research Institute in memory of Rupert Swift. The fund will be used to establish an ongoing annual award for a young and upcoming researcher to present a lecture at the Annual Congress in Rupert's memory.

Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
General funds				
General fund	1,355,532	561,260	(1,075,521)	841,271
Restricted funds				
Drug Discovery and Development Symposium fund	58,081	55,592	(61,128)	52,545
GSK e-learning	92,329	60,000	(133,162)	19,167
	-	200,000	(200,000)	-
PC Journal	-	598,425	-	598,425
	150,410	914,017	(394,290)	670,137

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17. Statement of funds (continued)

Total of funds	1,505,942	1,475,277	(1,469,811)	1,511,408
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Summary of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
Designated funds	-	34,155	-	34,155
General funds	841,271	605,534	(698,915)	747,890
	<u>841,271</u>	<u>639,689</u>	<u>(698,915)</u>	<u>782,045</u>
Restricted funds	670,137	264,386	(113,086)	821,437
	<u>1,511,408</u>	<u>904,075</u>	<u>(812,001)</u>	<u>1,603,482</u>

Summary of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
General funds	1,355,532	561,260	(1,075,521)	841,271
Restricted funds	150,410	914,017	(394,290)	670,137
	<u>1,505,942</u>	<u>1,475,277</u>	<u>(1,469,811)</u>	<u>1,511,408</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	114,879	-	114,879
Debtors due after more than 1 year	107,421	-	107,421
Current assets	745,513	821,437	1,566,950
Creditors due within one year	(185,768)	-	(185,768)
	<u>782,045</u>	<u>821,437</u>	<u>1,603,482</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	112,156	-	112,156
Debtors due after more than 1 year	250,348	-	250,348
Current assets	805,683	670,137	1,475,820
Creditors due within one year	(326,916)	-	(326,916)
	<u>841,271</u>	<u>670,137</u>	<u>1,511,408</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	92,074	5,466
Adjustment for:		
Depreciation charges	18,092	17,225
Dividends, interest and rents from investments	(8,739)	(1,516)
Decrease/(increase) in debtors	192,770	(300,616)
(Decrease)/increase in creditors	(141,148)	315,604
Net cash provided by operating activities	<u>153,049</u>	<u>36,163</u>

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,216,014	1,075,041
Total	<u>1,216,014</u>	<u>1,075,041</u>

21. Operating lease commitments

At 31 December 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	9,657	3,000
Between 1 and 5 years	12,876	-
Total	<u>22,533</u>	<u>3,000</u>

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22. Controlling party

The Charity is controlled by the Board of Trustees.