Charity no. 1152399

Action for Pulmonary Fibrosis

Report and Unaudited Financial Statements

30 June 2018

Action for Pulmonary Fibrosis

Reference and administrative details

For the year ended 30 June 2018

Charity number	1152399

Registered office and operational address

EBS Ltd
Unit E1 City Wharf
Davidson Road
Lichfield
WS14 9DZ

Trustees

The trustees who served during the year were as follows:

Stephen Jones	Chair
Howard Almond	
Elizabeth Bray	
Wendy Dickinson	(resigned 31 May 2018)
Anthony Gowland	(resigned 14 October 2017)
Dr Simon Hart	
Dr Gisli Jenkins	
Rebecca Lang	(appointed 4 August 2018)
John F Morgan	(resigned 14 October 2017)
Stephen Morgan-Hyland	(appointed 18 April 2018)
Dr Helen Parfrey	
Karen Hughes	(resigned 14 October 2017)

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Barclays Bank
Churchill Place
London
E14 5HP

Shawbrook Bank
Lutea House
Warley Hill Business Park
Great Warley
Essex
CM13 3BE

Independent examiners

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

The trustees are pleased to present their report and the accounts for the year to 30 June 2018.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

Structure, governance and management

Action for Pulmonary Fibrosis was registered with the Charity Commission in England and Wales as a Charitable Incorporated Organisation (CIO) in June 2013. The governing document is a Constitution approved by the trustees on 28 May 2013.

All trustees have direct experience of IPF, either as patients, family members or medical professionals.

The trustees meet formally four times a year to assess the charity's progress, to formulate general policy and strategy and to ensure adherence to charity regulations. Reports are received on the charity’s work during the quarter. Plans for activities for the coming period are agreed. Following discussion, decisions are made regarding specific or suggested new activities, to ensure they meet the charity’s objectives and are cost efficient. The quarterly meetings are supported by regular email contact and teleconferences.

The Board contracts with professional advisers, as necessary for advice and guidance on legal and financial issues.

Appointment of new trustees

The board of trustees regularly reviews the skills and experience of its members and considers further skills required. The Board seeks to appoint new members to strengthen the board and where necessary to replace a member who leaves the board. To date this has been done by personal contact and contacts made directly to the charity. It remains a requirement of all new trustees that they have a personal connection to pulmonary fibrosis.

New appointments are considered and agreed by all trustees at a meeting of the board or by electronic communication. A process is in place which includes receipt of a formal application providing personal details and outlining the skills and experience which the applicant can bring to APF. This is reviewed by all trustees. Stage two is a meeting with the candidate and at least three trustees. The result of this meeting is shared with all trustees. They receive information on the role of the trustee and what is expected of them. The prospective trustee is then invited to attend a trustee meeting prior to confirmation of appointment. Once the appointment is agreed an induction process takes place which provides the new trustee with extensive background information on the charity, how it works, roles and responsibilities and current activities.

Organisational structure

Action for Pulmonary Fibrosis had no employees during the reporting year. The charity is fortunate to have some trustees who are willing and able to undertake executive as well as governance roles within the charity. During the period of this report, a finance and operations sub-group of trustees undertook responsibility for the day-to-day management of the charity, including the authority for all expenditure. Consideration has been given to the support needs of the charity and towards the end of the reporting year, a decision was made to appoint a chief executive officer and a manager of patient support activities. Other support will continue to be provided by freelance consultants and contractors for the time being.

Decisions on finance and charitable activities are taken by the Board of Trustees and the finance and operations sub-group of trustees has been responsible for ensuring that those decisions are carried out.

Action for Pulmonary Fibrosis is registered with the Fundraising Register. The charity is a member of NCVO and a leading member of the European IPF Federation – EU-IPFF.

Objectives and activities

Action for Pulmonary Fibrosis continues to fulfil the objectives as stated in the Charity Commission registration:

- Advancing education and raising awareness of Pulmonary Fibrosis, the symptoms associated with it, and encouraging earlier diagnosis of the condition;
- Promoting research into the understanding, diagnosis, causes and treatments of Pulmonary Fibrosis through donations and grants to related research projects in order that the useful results of research are disseminated for public benefit; and
- Providing support to patients and families suffering from Pulmonary Fibrosis in any other way the trustees see fit.

Our values:

The stated values of Action for Pulmonary Fibrosis continue to be:

- **Integrity** - APF will work with transparency and integrity in all that it does; putting the interests of patients and families first.
- **Collaboration** - the charity will work in a spirit of partnership with other organisations, when it is appropriate and beneficial to do so, so that knowledge and expertise can be shared.
- **Support** - Give people living with IPF the best possible quality of life.
- **Commitment** - Bring energy and resourcefulness to all activities.

Our vision:

A world in which everyone living with pulmonary fibrosis has a better future.

Achievements and performance

During the year, the charity continued to undertake activities which addressed all three of its main charity objectives.

1. Support for patients

The work with patient support groups across the country and in encouraging and assisting with the development of new groups remains a high priority for APF.

During the year the charity continued its project to develop new support groups, with 19 new groups being established by health care professionals and patients across the UK. A number of others are in the process of being set up. APF provided assistance to group leaders and small financial grants to enable the groups to get off to a successful start.

The feedback from patients and family members who attend group meetings is invariably very positive. Patients gain from sharing experience and knowledge as well as learning from medical professionals more about the disease and its management. The isolation that patients and family members feel when diagnosed with pulmonary fibrosis can be devastating and, at least to some extent, is alleviated by the companionship and mutual support they gain by attending support groups.

Although the number of groups has doubled over the last two years, with 61 groups today, the demand for even more groups continues. It is notable that certain parts of the country, especially London, the South-East and Scotland, still have few support groups. These are areas on which APF will focus. To enhance our effectiveness in working with patient support groups the charity has engaged the services of a part-time support group co-ordinator to assist the National Support Group Coordinator and trustees.

A Voice of the Patient Council was formed in 2016. Patients are invited to become members by registering via the website. The purpose of the council is to establish a consultative group of patients across the country who share their knowledge and experience to help other patients and families. The group now has over 50 members, with new members signing up each month. It represents patients across the country and met for the second time in Autumn 2017.

APF trustees continued to attend support group meetings across the UK to learn how the charity can best support patients and their families, and to offer encouragement for local activities. Acting as the *Voice of the Patient,* trustees continue to take every opportunity to highlight the needs of patients and promote improvements in the patient experience.

APF recognises that many patients and carers cannot attend support groups. A significant proportion of people living with pulmonary fibrosis have mobility problems or live in remote areas, making this difficult. Others work and cannot attend meetings during working hours. In view of this, we launched a Telephone Support Line this year so that people who cannot attend support groups have another way to obtain information and support. It is staffed by an Interstitial Lung Disease (ILD) Specialist Nurse and experienced patient ambassadors.

APF also started a thrice-yearly newsletter this year, which reports on the activities of support groups and discusses important issues for people living with pulmonary fibrosis. The newsletter is circulated to support groups and to other patients via ILD specialist centres and general hospitals.

In 2018/19, we plan to start a series of one-day Patient Information Days, with clinical teams giving talks on the causes of pulmonary fibrosis and available treatments. These will be held in all regions and nations in the UK, over the next three years.

2. Education and awareness raising

The charity continued to explore ways to improve the understanding of IPF and other forms of pulmonary fibrosis and to ensure that care for patients at least meets national guidelines (e.g. the NICE Quality Standard on IPF), wherever they live in the UK. This includes a better understanding of the disease amongst non-specialist healthcare professionals, especially those working in the community, who are often involved in the care of patients. The charity is also working to raise awareness of the disease with policy makers, potential funders and the general public.

Action for Pulmonary Fibrosis provided a grant to support the Interstitial Lung Disease Inter-disciplinary Network (ILD/INN). The network enables ILD specialist nurses and other health care professionals, across the country, to connect with each other, to share good practice and to meet for continuing professional development. The group also arranges an annual conference which is open to local and community health professionals.

As a result of this co-operation, ILD/INN and APF ran a series of educational workshops for local and community healthcare professionals across the UK to improve their understanding of pulmonary fibrosis and the needs of patients. This year, seven sessions were held for approximately 170 nurses and other health care professionals. Feedback was positive, with over 85% of participants reporting that they would change their clinical practice as a result of what they learned. Planning is underway to expand the programme next year.

This year, APF and ILD/INN also produced two patient information leaflets, on the anti-fibrotic medicines available for patients with IPF (pirfenidone and nintedanib). These will be distributed via support groups and hospitals next year.

Trustees made presentations at various patient and professional training events including pharma company staff training. They have also contributed the views of patients to pulmonary fibrosis publications for the medical profession, in order to enhance the knowledge and understanding of the disease amongst medical professionals and companies involved in providing treatments for patients.

Opportunities have also been taken to highlight the charity's work by attending major medical conferences, including the Primary Care Respiratory Society and the British Thoracic Society (BTS).

During the year, APF was invited to join two important policy forums to represent the voice of people living with pulmonary fibrosis. These are: (i) the BTS ILD Registry Steering Group, which aims to help estimate the numbers living with IPF and assess whether they receive care in-line with NICE guidelines; and (ii) the Task Force on Lung Health, which aims to bring together key voices in UK lung health to create a new vision for better services for everyone affected by lung disease.

Although the prognosis for patients with IPF is worse than for most cancers there is not a well-defined care pathway in the UK and the standards of care for patients vary across the country. In view of this, the charity campaigned for the introduction of a care pathway for pulmonary fibrosis patients. It also sought to identify ways to improve treatment for patients, in line with the NICE IPF Quality Standard. A report - ***Fit for the Future: Future-proofing care for patients with IPF*** was completed in June 2016, which was used to campaign for improved care. We also developed plans for a new survey, which will conducted later in 2018. This will be a major plank of future campaigning and will make it possible to evaluate how care of IPF patients has changed over time.

The charity continued its involvement with IPF patient groups in other countries, in order to share information and experience for the benefit of pulmonary fibrosis patients around the world. The aim is to connect the groups to share the experience of IPF patients and identify areas which could be developed for the benefit of all. APF is a founding member of the European IPF and Related Diseases Federation (EU-IPFF). This year we attended its AGM and took part in working groups developing a position paper and a benchmarking study to document IPF care across Europe, including the UK.

APF also meets regularly with other lung health charities, including the British Lung Foundation, Pulmonary Fibrosis Trust and Sarcoidosis UK to enhance effective cooperation.

3. Research

As reported last year, the trustees of Action for Pulmonary Fibrosis set up a research fund in 2015 and further funds have been set aside this year. In June 2018 this stood at £557,314. This year we invited bids for a £300,000 three-year research fellowship into the causes and treatments for IPF. Preliminary applications were received, which were reviewed by experts from the UK, USA, Australia and Europe and a short-list drawn up. Three scientists were invited to submit full applications, which will be evaluated in late 2018.

The charity has taken the opportunity to further support young researchers from UK universities by offering travel fellowships to attend and present their work at major international conferences. Three researchers were supported to attend the American Thoracic Society conference (ATS) event in Spring 2018 and a further two awards were made for the European Respiratory Society conference. Funding for these awards has been made from the general cash account, not the research fund.

During the year, university researchers and pharma companies asked the charity to help scientists better understand the pulmonary fibrosis patient journey and to provide patients vies on the design of selected research projects. It is likely that APF will next year be invited to join the steering committees of two university-based research projects.

Fundraising and donations

The activities of Action for Pulmonary Fibrosis are almost entirely dependent on the funds raised through voluntary donations and the fundraising activities of individual supporters who have been personally affected by the disease.

The charity trustees are extremely grateful for the efforts of all our fundraisers and of our donors in supporting our work. We are inspired by the individuals and teams of fundraisers who undertake a wide variety of challenges including climbing, running, swimming and cycling as well as arranging events, coffee mornings and much more to raise funds. We are also enormously appreciative of the families who arrange funeral donations in memory of their loved ones.

During the year, we continued to scale up our efforts to communicate with supporters and the general public using social media. We have developed a comprehensive website and have an active presence on Facebook, Twitter and other social media. We also developed a strategy to increase our media presence, which will be implemented next year.

Plans for the future

In the first three years, the trustees undertook most of the charity operations and activities themselves. As the charity has grown it has become necessary to bring in appropriate expertise to carry out all the ongoing and planned activities. During the year, four part-time contractors were retained to support operations, support group coordination, fundraising and communications. Plans are in place for developing the organisation structure of the charity.

During the coming year many of the activities reported above will be continued in order to further advance the charity's objects.

These include:

- The demand for Patient Support Groups continues and APF will support further new groups in the coming year as well as continuing to liaise with existing groups and provide support where requested. We will also encourage the formation of regional alliances of support groups in different parts of the country;
- The Newsletter has been very well received amongst support groups and more generally and will be continued three times a year;
- The Telephone Support Line implemented as a pilot project will be evaluated and, if there is sufficient demand from pulmonary fibrosis patients and family members, will be established as a part of the provision of the charity;
- The first phase of the programme of Study Sessions for healthcare professionals to enhance knowledge about pulmonary fibrosis and the care needs of patients, will be completed and evaluated with a view to expanding it during the year;
- A new 2018 Patient Survey will be carried out to assess the state of care for IPF patients and a new report published and used in campaigning;
- The Voice of the Patient Council will be developed with further meetings and activities and four Patient Information Days organised in different parts of the country;
- The Ambassador role will be developed and more ambassadors recruited;
- The 3-year Research Fellowship will be awarded and consideration given to setting up a programme of other research grants. APF will also continue to work with university and pharma scientists to ensure the views of patients are taken into account in pulmonary fibrosis research; and
- Trustees will continue to engage with policy makers and pursue the proposed actions identified in the report *Fit for the Future: Future-proofing care for IPF patients*, including developing ways to estimate more accurately the number of people in the UK living with pulmonary fibrosis.

Volunteers

In addition to the trustee role, and as described above, trustees carried out operational duties for the charity, as volunteers. There are no other appointed volunteers. APF is currently developing a role as Ambassador for the charity. Ambassadors will be patients/carers who are usually connected to a support group and are willing to represent APF at events and visiting other support groups in their area.

Grants awarded

To assist the development of new patient support groups across the UK, Action for Pulmonary Fibrosis makes small grants to help them become established. During the year twelve grants were awarded, totalling £4,600.

As part of our work in the area of Research, young researchers are invited to apply for a travel grant to enable them to attend major conferences abroad. Five grants, totalling £4,500, were made for two international events during the year.

Action for Pulmonary Fibrosis works closely with the ILD specialist nurse association, ILD-INN. During the year £3,500 was provided for bursaries to enable individual healthcare professionals to attend the ILD-INN annual conference. APF also provided £10,000 sponsorship for the ILD-INN conference. Working with ILD-INN helps to achieve the educational objective of Action for Pulmonary Fibrosis.

Public benefit statement

The charity trustees have complied with their duty, to have due regard to the guidance on public benefit published by the Charity Commission, in exercising their powers or duties.

Financial review

Income for the year 2017-2018 increased by 68% over the previous year. The charity is in a strong financial position. Total income for the year was £605,810 and total expenditure was £259,388, details of which are set out in the attached accounts.

However, the main source of funds continues to be from individual fundraisers and memorial donations and the Board of Trustees is clear that fundraising and communications activity, to inform our community of the charity's work and achievements, is key to continued income.

As identified in the accounts, two corporate grants were received during the year to assist with specific activities which are key objectives of the charity.

Our fundraisers and memorial donors are often keen to see funds going to research and as a key objective of the charity, the board is keen to ensure that a good proportion of funds raised is awarded to research activities. The award of the £300,000 APF Mike Bray Fellowship this year indicates this commitment. This award is expected to be announced and therefore, the funds awarded by the end of 2018. A further sum of £100,000 was transferred to the designated fund for research during the reporting year. A proportion of current income will continue to be allocated to research.

The charity has no debt or guarantees.

Risk management

Responsibility for risk management lies with trustees and a risk register has been established which is reviewed regularly. Risks identified are minimal and controls are in place to manage them.

Reserves policy

A reserves policy has been established which requires a minimum of 50% of projected annual core expenditure to be retained separately as reserves. This is reviewed annually at the October trustee meeting. The projection of increased operational costs for the coming year resulted in agreement to increase the balance on the reserves account to meet the requirements of the policy. This was carried out and the reserves account balance currently stands at £145,051. This amount is held in a separate designated fund.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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).

The law applicable to charities in England and Wales requires the trustees are to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity 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.

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 10 November 2018 and signed on their behalf by

Stephen Jones - Chair

Independent examiner's report

To the trustees of

Action for Pulmonary Fibrosis

I report to the trustees on my examination of the accounts of Action for Pulmonary Fibrosis (the CIO) for the year ended 30 June 2018, which are set out on pages 11 to 22.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the CIO's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 CIO as required by section 130 of the Act; or
(2) the accounts do not accord with those records; or
(3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Alison Godfrey

Date: 15 NOVEMBER 2018

Alison Godfrey FCA
Member of the ICAEW

For and on behalf of:
Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Action for Pulmonary Fibrosis

Statement of financial activities

For the year ended 30 June 2018

	Note	Restricted £	Unrestricted £	**2018 Total** **£**	2017 Total £
Income from:					
Donations and legacies	3	16,545	505,414	**521,959**	345,199
Charitable activities	4	80,400	3,000	**83,400**	15,305
Investments		-	451	**451**	316
Total income		96,945	508,865	**605,810**	360,820
Expenditure on:					
Raising funds		-	78,771	**78,771**	58,948
Charitable activities		70,531	110,086	**180,617**	82,420
Total expenditure	6	70,531	188,857	**259,388**	141,368
Net income		26,414	320,008	**346,422**	219,452
Transfers between funds		-	-	**-**	-
Net movement in funds	8	26,414	320,008	**346,422**	219,452
Reconciliation of funds:					
Total funds brought forward		3,937	702,409	**706,346**	486,894
Total funds carried forward		30,351	1,022,417	**1,052,768**	706,346

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the accounts.

Action for Pulmonary Fibrosis

Balance sheet

As at 30 June 2018

	Note	£	2018 £	Restated 2017 £
Current assets				
Debtors	11	**23,011**		8,264
Current asset investments	12	**803,365**		427,167
Cash at bank and in hand		**245,987**		285,157
		1,072,363		720,588
Liabilities				
Creditors: amounts falling due within 1 year	13	**19,595**		14,242
Net current assets			**1,052,768**	706,346
Net assets	14		**1,052,768**	706,346
Funds	15			
Restricted funds			**30,351**	3,937
Unrestricted funds				
Designated funds			**702,365**	427,167
General funds			**320,052**	275,242
Total charity funds			**1,052,768**	706,346

Approved by the trustees on 10 November 2018 and signed on their behalf by

Stephen Jones - Chair

Action for Pulmonary Fibrosis

Statement of cash flows

As at 30 June 2018

	2018 £	2017 £
Cash provided by operating activities:		
Net movement in funds	**346,422**	219,452
Adjustments for:		
Investment income	**(451)**	(316)
Increase in debtors	**(14,747)**	(5,173)
Increase in creditors	**5,353**	7,160
Net cash provided by operating activities	**336,577**	221,123
Cash flows from investing activities:		
Investment income	**451**	316
Net cash provided by investing activities	**451**	316
Increase in cash and cash equivalents in the year	**337,028**	221,439
Cash and cash equivalents at the beginning of the year	**712,324**	490,885
Cash and cash equivalents at the end of the year	**1,049,352**	712,324

Analysis of cash and cash equivalents

	2018 £	2017 £
Current asset investments	**803,365**	427,167
Cash at bank and in hand	**245,987**	285,157
Cash and cash equivalents at the end of the year	**1,049,352**	712,324

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in 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).

Action for Pulmonary Fibrosis 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 notes.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust that a distribution will be made, 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. Where 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, then the legacy is treated as a contingent asset and disclosed if material.

d) 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.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the basis of the time spent on each of these areas as follows:

Raising funds	25%
Charitable activities	75%

h) Debtors

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

i) Current asset investments

Current asset investments consists of short term cash deposits with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

j) Cash at bank and in hand

Cash at bank and cash 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.

k) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) 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.

2. Prior period comparatives

	Restricted £	Unrestricted £	**2017 Total** **£**
Income from:			
Donations and legacies	-	345,199	**345,199**
Charitable activities	8,200	7,105	**15,305**
Investments	-	316	**316**
Total income	8,200	352,620	**360,820**
Expenditure on:			
Raising funds	-	58,948	**58,948**
Charitable activities	4,263	78,157	**82,420**
Total expenditure	4,263	137,105	**141,368**
Net income	3,937	215,515	**219,452**
Transfers between funds	-	-	**-**
Net movement in funds	3,937	215,515	**219,452**

3. Income from donations and legacies

	Restricted £	Unrestricted £	**2018 Total** **£**	2017 Total £
Legacies	-	23,000	**23,000**	4,000
Donations from individuals and fundraising	16,545	482,414	**498,959**	341,199
Total income from donations and legacies	16,545	505,414	**521,959**	345,199

4. Income from charitable activities

	Restricted £	Unrestricted £	**2018 Total** **£**	2017 Total £
Corporate grants	77,400	-	**77,400**	15,305
Trusts and foundations	3,000	3,000	**6,000**	-
Total income from charitable activities	80,400	3,000	**83,400**	15,305

5. Government grants

The charitable incorporated organisation received no government grants during the year (2017: £nil).

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	**2018 Total** **£**	2017 Total £
Freelance costs (note 9)	21,682	66,142	32,673	**120,497**	63,688
Travel and subsistence	-	-	16,416	**16,416**	10,117
Grants payable (note 7)	-	9,100	-	**9,100**	7,967
Training costs	-	6,368	-	**6,368**	3,111
Patient surveys	-	8,186	-	**8,186**	-
Fundraising costs	21,422	-	-	**21,422**	19,877
Marketing and communications	7,089	20,221	-	**27,310**	4,610
Admin costs	5,044	-	32,290	**37,334**	19,561
Other staffing costs	-	-	275	**275**	7,228
Governance costs	-	-	12,480	**12,480**	5,209
Sub-total	55,237	110,017	94,134	**259,388**	141,368
Allocation of support costs	23,534	70,600	(94,134)	-	-
Total expenditure	**78,771**	**180,617**	**-**	**259,388**	141,368

7. Grants payable

	Grants to support groups £	Grants to individuals £	**2018 Total** **£**	2017 Total £
Travel grants (5 individuals)	-	4,500	**4,500**	3,000
Frodsham Support Group	300	-	**300**	-
Bedford PF Support Group	300	-	**300**	-
Guys & St Thomas' PF Support Group	500	-	**500**	-
Sheffield PF Support Group	500	-	**500**	-
Worcester PF Support Group	400	-	**400**	-
Imperial IPF Support Network (St Mary's)	200		**200**	-
Fife & Tayside IPF Support Group	500	-	**500**	-
Mid Essex PF Support Group	500	-	**500**	-
Tameside PF Support Group	500	-	**500**	-
Gloucestershire Lung Fibrosis Support Group	300	-	**300**	-
Pulmonary Fibrosis East Surrey	600	-	**600**	-
Nottingham University Hospital	-	-	**-**	4,429
Hertfordshire Support Group	-	-	**-**	300
Wolverhampton Support Group	-	-	**-**	200
Plymouth Support Group	-	-	**-**	38
	4,600	4,500	**9,100**	7,967

8. Net movement in funds

This is stated after charging:

	2018	2017
	£	£
Trustees' remuneration	**Nil**	Nil
Trustees' reimbursed expenses (see note 16)	**8,412**	6,581
Independent examiner's remuneration:		
▪ Independent examination (including VAT)	**2,520**	2,460

9. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Freelance staff	**120,497**	63,688

No freelancers earned more than £60,000 during the year.

The key management personnel of the charity comprise the trustees, who did not receive any remuneration in the current or prior year.

The charity had no employed staff in the current or prior year.

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11. Debtors

	2018	2017
	£	£
Accrued income	**7,730**	8,264
Prepayments	**15,281**	-
	23,011	8,264

12. Current asset investments

	2018 **£**	Restated 2017 £
Short term deposits	**803,365**	427,167

Current asset investments has been restated to include two accounts which are held for short term investment by the charity, rather than for day to day cash flow. These were shown as part of cash at bank and in hand in the prior year.

13. Creditors: amounts due within 1 year

	2018 **£**	2017 £
Trade creditors	**12,050**	11,782
Accruals	**7,545**	2,460
	19,595	14,242

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	**Total funds £**
Current assets	30,351	702,365	369,998	**1,072,363**
Current liabilities	-	-	(19,595)	**(19,595)**
Net assets at 30 June 2018	**30,351**	**702,365**	**320,052**	**1,052,768**

Prior year comparative	Restricted funds £	Designated funds £	General funds £	**Total funds £**
Current assets	3,937	427,167	293,421	**720,588**
Current liabilities	-	-	(14,242)	**(14,242)**
Net assets at 30 June 2017	**3,937**	**427,167**	**275,242**	**706,346**

15. Movements in funds

	At 1 July 2017 £	Income £	Expenditure £	Transfers between funds £	**At 30 June 2018 £**
Restricted funds					
Boehringer Ingelheim	-	65,000	(48,936)	-	**16,064**
Roche Products Limited	3,937	12,400	(14,822)	-	**1,515**
The D'Oyly Carte Charitable Trust	-	3,000	(3,000)	-	**-**
The Crane Foundation	-	3,773	(3,773)	-	**-**
Research fund	-	12,772	-	-	**12,772**
Total restricted funds	3,937	96,945	(70,531)	-	**30,351**
Unrestricted funds					
Designated funds					
Research fund	357,080	-	-	200,234	**557,314**
Reserve fund	70,087	-	-	74,964	**145,051**
Total designated funds	427,167	-	-	275,198	**702,365**
General funds	275,242	508,865	(188,857)	(275,198)	**320,052**
Total unrestricted funds	702,409	508,865	(188,857)	-	**1,022,417**
Total funds	706,346	605,810	(259,388)	-	**1,052,768**

Purposes of restricted funds

Roche Products Limited	The funds are to provide short study sessions on IPF for hospital respiratory nurses, community nurses and other associated health care professionals, and to develop supporting educational materials.
Boehringer Ingelheim	The funds provide for the development and initial set up costs of 15 new patient support groups, from September 2017 to September 2018, together with costs for promoting groups, including newsletters and publicity materials.
The D'Oyly Carte Charitable Trust	These funds were to provide support for the elderly.
The Crane Foundation	These funds were provided for a patient event held during the year.
Research fund	These are donations made to the charity specifically for the purpose of research.

15. Movements in funds

Purposes of designated funds

Research fund	The trustees have established the Research Fund to award grants to research programmes that indicate clear objectives for the development of knowledge, leading to a better understanding of the causes of IPF and improved treatments. A £300,000 APF Mike Bray Fellowship will be awarded by the end of 2018.
Reserve fund	The Reserve Fund has been established, in line with the charity's reserves policy, to retain a minimum of 50% of projected annual core expenditure separately as reserves. This is reviewed annually.

Prior year comparative

	At 1 July 2016 £	Income £	Expenditure £	Transfers between funds £	**At 30 June 2017 £**
Restricted funds					
Roche Products Limited	-	8,200	(4,263)	-	**3,937**
Total restricted funds	-	8,200	(4,263)	-	**3,937**
Unrestricted funds					
Designated funds					
Research fund	256,831	-	-	100,249	**357,080**
Reserve fund	70,019	-	-	68	**70,087**
Total designated funds	326,850	-	-	100,317	**427,167**
General funds	160,044	352,620	(137,105)	(100,317)	**275,242**
Total unrestricted funds	486,894	352,620	(137,105)	-	**702,409**
Total funds	486,894	360,820	(141,368)	-	**706,346**

16. Related party transactions

Trustees' reimbursed expenses comprised the following payments during the year:

	2018 **£**	2017 £
Computer equipment		-
Hotels	**563**	1,336
Subsistence	**176**	380
Travel expenses	**7,545**	4,745
Other expenses (gifts, stationery and postage)	**128**	120
	8,412	6,581

All expenses were incurred in the course of the organisation's charitable activities.

During the year, Alex Croft, the daughter of trustee Wendy Dickinson (resigned 31 May 2018), invoiced the charity £30,800 (2017: £20,280) for freelance services provided. A balance of £2,600 (2017: £2,600) was outstanding at the year end.

The trustees are not aware of any other related party transactions during the period.