

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020  
FOR  
FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

Robson Laidler Accountants Limited  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	<b>Page</b>
<b>Reference and Administrative Details</b>	<b>1</b>
<b>Report of the Trustees</b>	<b>2 to 4</b>
<b>Independent Examiner's Report</b>	<b>5</b>
<b>Statement of Financial Activities</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8 to 13</b>
<b>Detailed Statement of Financial Activities</b>	<b>14</b>

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**TRUSTEES**

M Saunders  
D Airey  
L Mclellan (appointed 23.11.19)  
P Hartley  
D Burdon  
J Comb  
A Lambert  
A Todd  
P Woodward (appointed 23.11.19)  
S Haddon (appointed 23.11.19)

**PRINCIPAL ADDRESS**

8 Harebell Meadows  
Newton Aycliffe  
Co. Durham  
DL5 4UG

**REGISTERED CHARITY NUMBER 1157894**

**INDEPENDENT EXAMINER**

Robson Laidler Accountants Limited  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

## **FREEMAN HEART & LUNG TRANSPLANT ASSOCIATION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2020**

The trustees present their report with the financial statements of the charity for the year ended 31 October 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The Freeman Heart & Lung Transplant Association is a registered charity (registration number 1157894) and is also registered as a Charitable Incorporated Organisation (CIO).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The objectives of the CIO are:

1. The preservation and protection of good health and the relief of sickness of heart and lung transplant patients and former heart and lung transplant patients of the Freeman Hospital, Newcastle upon Tyne, who are sick and convalescing by:
  - (a) Providing advice, either general or specific in any matter relating to Transplantation.
  - (b) Providing specific financial assistance, if needed, but only for the purchase of medical equipment to improve the patient's conditions of life.
  - (c) Providing and assisting in the provision of amenities in the Freeman Hospital, including equipment and to the furtherance of education in staff for the benefit of heart and lung transplant patients.
2. To advance the education of the public in the needs of transplant patients and to mobilise, encourage, foster and maintain the interest and support of the public in transplant hospitals.
3. The preservation and protection of good health and the relief of sickness by promoting by any lawful charitable means the need for organ donation and the importance of the donor register.

##### **Public benefit**

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 and setting the grant making policy for the year.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

In the year 2019-20, the Board focused on:

1. Funding medical research to benefit FHLTA patients now and in the future;
2. Maintaining the Beechwood flats used by FHLTA patients and their families/carers;
3. Managing and maintaining the FHLTA Mobile Home/Static caravan sited at Whitley Bay Holiday Park;
4. Supporting of FHLTA patients as required;
5. Integrating meetings to electronic to enable functioning of the FHLTA;
6. Using electronic banking where possible - including electronic payments;
7. Promoting Max and Kiera's Law via FHLTA website and social media platforms;
8. Hosting virtual events to help raise funds;
9. Completing the FHLTA Bags with Love project to support patients on wards at Freeman Hospital awaiting, or who have recently received a heart and/or lung transplant;
10. Creating new FHLTA policies and reviewing previous policies and governing document;
11. Attending events by having an FHLTA Trustee present where possible by raising the profile of the FHLTA;
12. Enhancing the communications of the FHLTA with all agencies including the public and patients via electronic means, email, website and social media platforms;
13. Introducing a new selection of merchandise including personalised hoodies, snoods and face masks branded with the FHLTA logo to promote awareness of the FHLTA.

## **FREEMAN HEART & LUNG TRANSPLANT ASSOCIATION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 OCTOBER 2020**

#### **FINANCIAL REVIEW**

##### **Financial position**

The financial statements for the year to 31 October 2020 show net expended resources of £45,402 (2019: £24,387 loss).

The Worldwide Coronavirus pandemic has had a significant impact of the FHLTA's ability to attend events and fundraise in the usual ways and has therefore had to adapt quickly and develop new ways of working. Coronavirus has also had an impact on expenditure in relation to large events that the FHLTA would financially support - e.g. medical conference and sports events:

Taking all of this into consideration the FHLTA is stable financially going into what looks like another difficult year ahead. Even though total income has been significantly lowered this financial year this is also reflected in total expenditure which is considerably lower.

##### **Reserves policy**

The FHLTA had reserved funds of £40,000 during this financial year, which is reviewed by the Trustees annually, to act as a buffer to cover:

1. Contingency: unexpected expenditure in the event of an emergency;
2. Cash-flow: situations where a bill must be paid before the money to cover it has been received;
3. Commitment: a commitment to expenditure which cannot be covered by the annual income;
4. Closure: the charity becomes financially unsustainable and has to be wound up.

##### **Going concern**

The Trustees have performed an assessment of the Charity's ability to continue as a going concern, by reference to forecasts and working capital requirements for a period of 12 months from the date of approval of these financial statements. The Trustees are satisfied that the going concern basis of preparation for these financial statements is appropriate.

#### **FUTURE PLANS**

The main aims of the Charity for 2020/2021 are to:

- Continually meet the objectives set out in its governing document;
- Regularly review the finances, budget and spends against budget together with a monthly Treasurers report and access to account records;
- Finance future plans primarily from the general funds, incoming donations and the fundraising efforts of our Trustees, members, volunteers and supporters.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

##### **Recruitment and appointment of new trustees**

From time to time it is necessary for the Charity to recruit new Trustees to replace those that have either resigned during their term of office, or by way of anticipating planned retirements after the completion of a single term of three years.

When a vacancy occurs, the Board will determine the mix of skills and experience needed so as to ensure a fully functioning team of Trustees and will seek to identify individuals who appear to have the qualities and interest in what we do. After fair assessment by a panel of the Board, a proposed applicant is recommended for appointment.

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Charity's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Charity's operating activities.

The main risks associated with the Charity's financial assets and liabilities are set out below. The Charity does not undertake any hedging activity and any significant financial risks are addressed on a case-by-case basis.

**Interest rate risk**

The Charity invests surplus cash in floating rate interest yielding bank accounts, therefore financial assets, interest income and cash flows can be affected by movements in interest rates. However, the Trustees do not consider there to be any significant exposure. The Charity has no bank borrowings.

**Price risk**

There is no significant exposure to changes in the carrying value of financial liabilities.

**Credit risk**

The Charity's policy is aimed at minimising such losses. Individual exposures and overdue debts are monitored with customers to ensure that the Charity's exposure to bad debts is not significant.

**Liquidity risk**

The Charity aims to mitigate liquidity risk by managing cash generated by its operations. Flexibility is maintained by retaining surplus cash in readily accessible bank deposit accounts. Limits on spending authority are in place.

**Foreign currency risk**

There are minimal transactions in foreign currency. As a result, no hedging activity is undertaken to mitigate this risk.

**Investment policy**

The Charity ensures that any investment strategy it adopts does not put at adverse risk any of the assets it is responsible for.

Funds are placed on deposit at the highest possible interest rates, consistent with cash flow requirements.

Approved by order of the board of trustees on 4.2.2021 and signed on its behalf by:

  
.....  
J Comb - Trustee

  
.....  
A Lambert - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**Independent examiner's report to the trustees of Freeman Heart & Lung Transplant Association**

I report to the charity trustees on my examination of the accounts of Freeman Heart & Lung Transplant Association (the Trust) for the year ended 31 October 2020.

**Responsibilities and basis of report**

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

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 Trust 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.



Nicholas Cunningham  
Robson Laidler Accountants Limited  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ

Date: 4-2-2021

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 OCTOBER 2020**

		<b>2020 Unrestricted funds £</b>	<b>2019 Total funds £</b>
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	3	<b>82,712</b>	128,869
Other trading activities	4	<b>5,416</b>	11,541
Investment income	5	<b>8,259</b>	<u>9,937</u>
<b>Total</b>		<b>96,387</b>	150,347
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>	6		
Charitable expenditure		<b>50,985</b>	174,734
 <b>NET INCOME/(EXPENDITURE)</b>		<b>45,402</b>	(24,387)
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>277,768</b>	302,155
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>323,170</u></b>	<u>277,768</u>

The notes form part of these financial statements



**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**BALANCE SHEET  
31 OCTOBER 2020**

	Notes	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>			
Tangible assets	11	15,186	18,165
<b>CURRENT ASSETS</b>			
Debtors	12	783	4,050
Cash at bank		<u>308,641</u>	<u>255,733</u>
		309,424	259,783
<b>CREDITORS</b>			
Amounts falling due within one year	13	(1,440)	(180)
<b>NET CURRENT ASSETS</b>		<u>307,984</u>	<u>259,603</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>323,170</u>	<u>277,768</u>
<b>NET ASSETS</b>		<u>323,170</u>	<u>277,768</u>
<b>FUNDS</b>	14		
Unrestricted funds:			
General fund		283,170	237,768
Designated funds		<u>40,000</u>	<u>40,000</u>
		<u>323,170</u>	<u>277,768</u>
<b>TOTAL FUNDS</b>		<u>323,170</u>	<u>277,768</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 4.2.2021 and were signed on its behalf by:

  
J Comb - Trustee

  
A Lambert - Trustee

The notes form part of these financial statements

# **FREEMAN HEART & LUNG TRANSPLANT ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020**

### **1. STATEMENT OF COMPLIANCE**

Freeman Heart & Lung Transplant Association is a Charitable Incorporated Organisation (charity number: 1157894) registered in England and Wales. The registered office and other statutory information is shown on the contents page.

### **2. ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Freeman Heart & Lung Transplant Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in Sterling (£).

#### **Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings                      -    Straight line over 10 years

#### **Taxation**

The charity is exempt from tax on its charitable activities.

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**2. ACCOUNTING POLICIES - continued**

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

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Cash and cash equivalents**

Cash and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

**3. DONATIONS AND LEGACIES**

	2020	2019
	£	£
Donations	<u>82,712</u>	<u>128,869</u>

**4. OTHER TRADING ACTIVITIES**

	2020	2019
	£	£
Income from services	<u>5,416</u>	<u>11,541</u>

**5. INVESTMENT INCOME**

	2020	2019
	£	£
Rents received	4,235	8,664
Deposit account interest	<u>4,024</u>	<u>1,273</u>
	<u>8,259</u>	<u>9,937</u>

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs £	Totals £
Charitable expenditure	<u>36,585</u>	<u>12,000</u>	<u>2,400</u>	<u>50,985</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2020 £	2019 £
Insurance	1,099	574
Telephone	2,918	1,895
Postage and stationery	749	2,680
Sundries	2,359	3,861
Computer software & website	504	20,915
Promotional goods	-	863
Just giving	561	562
Games & special events	10,894	20,683
Motor & travel	8,655	28,209
Hospital purchases	600	1,601
Caravan site costs	4,568	4,442
Depreciation	<u>3,678</u>	<u>3,609</u>
	<u>36,585</u>	<u>89,894</u>

**8. GRANTS PAYABLE**

	2020 £	2019 £
Charitable expenditure	<u>12,000</u>	<u>84,000</u>
The total grants paid to institutions during the year was as follows:		
	2020 £	2019 £
University of Northumbria	-	34,000
University of Newcastle	<u>12,000</u>	<u>50,000</u>
	<u>12,000</u>	<u>84,000</u>

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 October 2020 nor for the year ended 31 October 2019.

**Trustees' expenses**

During the year 11 trustees were paid expenses for phone and travel costs totalling £11,817 (2019: 11 trustees paid £22,647).

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

All income and expenditure was unrestricted in the previous year and is therefore as shown in the comparative figures on the Statement of Financial Activities.

**11. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>COST</b>	
At 1 November 2019	36,090
Additions	<u>699</u>
At 31 October 2020	<u>36,789</u>
<b>DEPRECIATION</b>	
At 1 November 2019	17,925
Charge for year	<u>3,678</u>
At 31 October 2020	<u>21,603</u>
<b>NET BOOK VALUE</b>	
At 31 October 2020	<u><u>15,186</u></u>
At 31 October 2019	<u><u>18,165</u></u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Prepayments and accrued income	<u><u>783</u></u>	<u><u>4,050</u></u>

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Other creditors	<u>1,440</u>	<u>180</u>

**14. MOVEMENT IN FUNDS**

	At 1.11.19 £	Net movement in funds £	At 31.10.20 £
<b>Unrestricted funds</b>			
General fund	237,768	45,402	283,170
Designated funds	<u>40,000</u>	<u>-</u>	<u>40,000</u>
	<u>277,768</u>	<u>45,402</u>	<u>323,170</u>
<b>TOTAL FUNDS</b>	<u>277,768</u>	<u>45,402</u>	<u>323,170</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	96,387	(50,985)	45,402
	<u>96,387</u>	<u>(50,985)</u>	<u>45,402</u>
<b>TOTAL FUNDS</b>	<u>96,387</u>	<u>(50,985)</u>	<u>45,402</u>

**Comparatives for movement in funds**

	At 1.11.18 £	Net movement in funds £	Transfers between funds £	At 31.10.19 £
<b>Unrestricted funds</b>				
General fund	302,155	(24,387)	(40,000)	237,768
Designated funds	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
	<u>302,155</u>	<u>(24,387)</u>	<u>-</u>	<u>277,768</u>
<b>TOTAL FUNDS</b>	<u>302,155</u>	<u>(24,387)</u>	<u>-</u>	<u>277,768</u>

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**14. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	150,347	(174,734)	(24,387)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>150,347</u>	<u>(174,734)</u>	<u>(24,387)</u>

**15. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 October 2020.

**FREEMAN HEART & LUNG TRANSPLANT  
ASSOCIATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	82,712	128,869
<b>Other trading activities</b>		
Income from services	5,416	11,541
<b>Investment income</b>		
Rents received	4,235	8,664
Deposit account interest	<u>4,024</u>	<u>1,273</u>
	<u>8,259</u>	<u>9,937</u>
<b>Total incoming resources</b>	<b>96,387</b>	<b>150,347</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Insurance	1,099	574
Telephone	2,918	1,895
Postage and stationery	749	2,680
Sundries	2,359	3,861
Computer software & website	504	20,915
Promotional goods	-	863
Just giving	561	562
Games & special events	10,894	20,683
Motor & travel	8,655	28,209
Hospital purchases	600	1,601
Caravan site costs	4,568	4,442
Fixtures and fittings	3,678	3,609
Grants to institutions	<u>12,000</u>	<u>84,000</u>
	<b>48,585</b>	<b>173,894</b>
<b>Support costs</b>		
<b>Governance costs</b>		
Independent examiners fees	1,440	840
Legal & professional fees	<u>960</u>	<u>-</u>
	<u>2,400</u>	<u>840</u>
<b>Total resources expended</b>	<b><u>50,985</u></b>	<b><u>174,734</u></b>
<b>Net income/(expenditure)</b>	<b><u>45,402</u></b>	<b><u>(24,387)</u></b>

This page does not form part of the statutory financial statements