

Charity Registration No. 1044906

Company Registration No. 02992437 (England and Wales)

**ORTHOPAEDIC INSTITUTE LTD  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

# ORTHOPAEDIC INSTITUTE LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr E R Evans, Chairman Dr B A Ashton Mrs V Edwards Mr R Freeman Prof W Masry Mrs L Osselton Mr R Lumby Mr J S Bratt Prof. S Roberts Dr G E R Thomas
<b>Charity number</b>	1044906
<b>Company number</b>	02992437
<b>Registered office</b>	Arthritis Research Centre RJAH Hospital Oswestry Shropshire SY10 7AG
<b>Auditor</b>	Wenn Townsend 30 St Giles Oxford OX1 3LE
<b>Solicitors</b>	Hatchers Solicitors LLP Thornes Hall Castle Street Shrewsbury Shropshire SY1 1DA
<b>Investment advisors</b>	Barclays Wealth Windsor Court 2nd Floor 1-3 Windsor Place Cardiff CF10 3BX

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# ORTHOPAEDIC INSTITUTE LTD

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# ORTHOPAEDIC INSTITUTE LTD

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

### Objectives and activities

The objects of the Charity are to promote by all available means the study of disease and particularly disorders of the locomotor system and allied subjects, and generally to improve the standard of knowledge of the means of prevention, diagnosis and methods of treatment and cure of such disorders, and to initiate, encourage, support and carry out research and investigation into the causes of such disorders and the possibilities of prevention and alleviation or cure.

The Charity's main objectives for the year continue to be funding and facilitating medical research and teaching at the RJAH Orthopaedic Hospital NHS Foundation Trust, Oswestry, Shropshire.

The strategies to achieve the objectives of the Charity are:

- To encourage researchers to submit projects to the Institute for funding, coupled with persuading smaller research departments to be more forthcoming in this respect.
- To continue the organisation and running of training courses, together with a variety of specialised teaching and training courses open to doctors in general and medical staff throughout this country and overseas.
- To continue with our support for the very successful Research Days where patients, donors, schools and members of the public are invited to come along to view the research work that is being carried out and to ensure the ongoing trend of attracting high profile Professors, Consultants and Clinicians to attend this annual event. These two days enhance the profile of the Hospital and improves its national and international reputation.
- To promote in the local press and on our updated website our achievements more comprehensively.
- To endeavour to promote the Institute with the legal profession, to encourage future legacies and donations.

### Fundraising standards information

The Charity raises funds from the public through events and marketing. The Charity employs a fundraiser who manages the fundraising campaigns. Any significant fundraising activities are approved by the Trustees and the Trustees monitor the performance of events through attendance. To the date of this report, no complaints have been received in connection with the Charity's fundraising activities. The Charity does not solicit or place undue pressure on the general public for donations. Any marketing is via emails to a consented donor list, within the hospital staff network or through the website, social media and local press.

### Public benefit statement

The Trustees have paid due regard to the Charity Commission guidance on public benefit and consider this when deciding which activities the Charity should undertake. All of the Charity's activities focus on medical research and teaching and are undertaken to further our charitable purposes for the public benefit.

# ORTHOPAEDIC INSTITUTE LTD

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### Achievements and performance

Each year the Charity produces an extensive annual report, which fully explains the projects receiving funding and the progress in the year. Copies of this report are available from the registered office. Brief descriptions of the major funds supporting these projects are recorded in the notes to the accounts.

Circulating our Annual Report enables us to keep in close contact with our funders. We seek medical research funding for various innovative projects over a 2/3 year time span to provide continuity to our research staff.

The Trustees wish to thank all of its donors for the support over the last twelve months to enable the research projects to continue despite the challenges of the COVID-19 outbreak. During the year the Orthopaedic Institute provided funding for six new research projects with over thirty projects ongoing at the year end.

Local profile also enables the fundraiser to liaise closely with local charitable organisations. This initiative continues to bring in funds for the work of the Charity. Patients are very supportive of the Hospital and the Institute.

During the year we were able to hold 6 online courses and webinars, generating income of £13,108 (2020 - £210,244). With a change in our course administrator in November 2020, the focus of the role moved to being able to attract course delegates through social media and online presence and ensuring we could successfully deliver courses and webinars virtually. The courses included anatomy and surgical exposures, two GP study days, foot and ankle and the FRCS tumour and statistics webinar.

The fixed asset investments held by the Charity at the 31 March 2021 had a market value of £1,514,605 (2020 - £1,242,832). The income stream from the investments for the year including bank interest was £41,103 (2020 - £50,114). The Trustees are satisfied with the management of the investment portfolio against the objectives detailed within the financial review.

### Financial review

The Charity has generated a net surplus this year of £305,127 (2020: deficit of £235,402), which includes an unrealised gain on the investment portfolio of £275,469 (2020: loss of £196,672). Further details of income and fund balances are presented elsewhere within this report.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Given the long-term nature of the research projects undertaken by the Charity the Trustees designate unrestricted funds to individual projects soon after they are received. This allows for long term planning and security for the research staff. As a result of this policy significant balances are retained as designated for particular research projects.

The Charity has the policy of retaining a low level of unrestricted undesignated funds to meet administration costs and provide a small reserve for starting new projects or appeals. The Trustees have the policy that this balance should exceed £10,000 to cover approximately three months administration expenses. The unrestricted general fund fluctuates throughout the year as unrestricted income is received and held as such until it is allocated to specific projects. The Trustees policy is that the unrestricted general fund should not exceed £80,000 and this is monitored at the quarterly committee meetings.

At the year-end, unrestricted undesignated reserves excluding gains on investments totalled £80,000.

# ORTHOPAEDIC INSTITUTE LTD

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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The main source of the Charity's income is generated from charities, grant making bodies, individual donors and surpluses on courses. The reputation of the Hospital has enabled the Institute to forge long standing personal connections with the decision makers and this has enabled personal contact when support is sought. In addition, the Charity has received three generous legacies during the year, for which it is very grateful and will help to fund research projects.

Funds are either received in response to applications made by the research teams for specific projects in which case the income is used to support those projects or for income received where no specific application has been made the research teams apply for grants from these reserves.

The investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption, and
- The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- To obtain a reasonable balance between capital growth and income so that the Charity can meet future as well as current needs.
- To avoid investments that are unduly risky.

The Trustees' policy is to invest in an appropriate mix of real assets, i.e. equities, fixed interest and monetary assets. Trustees recognise that the returns on equities, while expected to be greater over the longer-term than those of fixed interest and monetary assets, are likely to be more volatile. Investment in a mix of asset classes should nevertheless provide the levels of return required and mitigate volatility for the Trust to achieve its objectives.

The Trustees have delegated their investment powers to an appointed investment manager. The investment manager is responsible for carrying out all day-to-day investment decisions including acquisition and realisation of investments. The investment manager is required to exercise the power to give effect to the principles as contained in this statement and, in particular, must have regard to the need for diversification and suitability of investments selected. Due to changing investment practice, the investment manager is appointed on a discretionary basis.

Whilst the Trustees are not involved in the day-to-day operation of the investment portfolio and cannot directly influence attainment of a performance target, they will assess performance on an annual basis. Measurable targets have been developed for the investment manager consistent with the achievement of the objectives set out above and an acceptable level of risk with no holding in a single equity or pooled vehicle having a value that is more than 7% of the total equity portfolio. The Trustees do not wish to participate in any underwriting arrangement or hold direct investments quoted on AIM or OFEX markets:

The appointment of the investment manager will be reviewed from time to time by the Trustees, based upon the results of their monitoring of performance, investment process and the manager's compliance with the requirements of the Trustee Act 2000 and guidance of the Charity Commissioners.

The investment manager will meet the Trustees (or a designated body of trustees) at least once a year to review performance over the preceding period and to discuss and agree the strategy to be adopted.

Although generally the interests of a trust's beneficiaries are best served by seeking to obtain a sound financial return from a suitably diverse portfolio of investments, the investment manager will have the regard to not investing in those assets which could be detrimental to the objectives and aims of the Trust. The Trust does not have an ethical investment policy.

The investment powers of the Trustees have been formally vested in the Charity's independent stockbrokers, Barclays Wealth.

# ORTHOPAEDIC INSTITUTE LTD

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees have conducted their own review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks. External risks to funding have led to the engagement of a fundraiser to oversee appeals made by the Charity and report to the Trustees on fundraising progress each quarter.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

### Long term aims and objectives

The Institute intends to continue to be supportive of the Trust Board at the Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust and to work alongside the Trust to assist with funding of medical research projects.

We intend to continue developing our fundraising base by approaching newly formed charities and seeking to acquire new connections. We will encourage researchers to submit projects for funding. Liaison with local solicitors is vital to maintain the receipt of legacies which assist considerably when funding research projects.

We will continue to support teaching and training and running of courses for the medical profession. Courses are vital not only in attracting the delegates and generating income but also to promote the Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust and retain our standard as a Centre of Excellence with national and international reputation.

### Structure, governance and management

The Charity is a company limited by guarantee and therefore has no share capital. Each member is liable, upon winding up, to an amount not exceeding £1. The Charity was incorporated on 21st November 1994 to take over and continue the administration of the pre existing Charity The Institute of Orthopaedics. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

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

Mr E R Evans Chairman  
Dr B A Ashton  
Mrs V Edwards  
Mr R Freeman  
Prof W Masry  
Mrs L Osselton  
Mr R Lumby  
Mr J S Bratt  
Prof. S Roberts  
Dr G E R Thomas (appointed 28 October 2020)

The Trustees retiring by rotation are:

Mr E R Evans, Mr J S Bratt and Prof S Roberts

As set out in the Articles of Association the members of the Orthopaedic Institute Limited nominate the Chair of the Trustees. Each year one third of the Trustees retire by rotation and may offer themselves for re-election. When a vacancy exists the new Trustee will be of similar standing to the retiring Trustee. All members are circulated with invitations to nominate Trustees prior to the Annual General Meeting advising them of the retiring Trustees and requesting nominations for the Annual General Meeting.

# ORTHOPAEDIC INSTITUTE LTD

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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The paid administrators of the Charity have been delegated by the Trustees as being responsible for day to day management.

The Charity collaborates very closely with the medical department at Keele University in carrying out many research projects.

The Charity operates within the environs of the Robert Jones & Agnes Hunt Orthopaedic NHS Foundation Hospital. The NHS Trust engages the staff undertaking research projects, teaching and administration. The Robert Jones & Agnes Hunt Orthopaedic Hospital NHS Foundation Trust recharges their salary costs to the Charity.

### Implications of COVID-19

COVID-19 has had a significant impact on the charity during the year and continuing after the year end. With the hospital's resources being focused on fighting the virus, research and training activities have been significantly reduced. Our face to face courses were cancelled or postponed and we look to how we can provide future training with reduced delegate numbers and also to online course provision where possible.

In addition our previously successful fundraising events over the Summer and Autumn of 2020 have had to be postponed. Our team have been able to work throughout the lockdown period, focusing on generating new income streams for the charity as well as strengthening our existing resources such as our website. Our research work has and will continue with 36 projects in progress currently and we look to the future when we can meet in person with our clinicians, researchers, patients, delegates, volunteers and donors again.

As well as our current income streams being reduced significantly, our long term financial investments have also been affected adversely by the general economy and the impact of COVID-19. Our investments are held for their longer term value as well as providing ongoing income to support our charitable activities. We continue to monitor our investments performance and risk profile with our financial advisors.

### Disclosure of information to the auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The Trustees report was approved by the Board of Trustees.



Mr E R Evans  
Chairman & Trustee

8th September 2021

# **ORTHOPAEDIC INSTITUTE LTD**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The Trustees (who are also the directors of Orthopaedic Institute Ltd for the purpose of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent; 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ORTHOPAEDIC INSTITUTE LTD

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORTHOPAEDIC INSTITUTE LTD**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Opinion**

We have audited the financial statements of Orthopaedic Institute Ltd (the 'charitable company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2021, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's 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.

### **Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' report.

# ORTHOPAEDIC INSTITUTE LTD

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORTHOPAEDIC INSTITUTE LTD (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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 directors' 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 directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company 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.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# **ORTHOPAEDIC INSTITUTE LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORTHOPAEDIC INSTITUTE LTD (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Lee Baker FCA (Senior Statutory Auditor)  
For and on behalf of Wenn Townsend  
Chartered Accountants and Statutory Auditor  
30 St Giles  
Oxford OX1 3LE**

**8th September 2021**

*Wenn Townsend is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

# ORTHOPAEDIC INSTITUTE LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Designated funds	Restricted funds	Total
	Notes	2021 £	2021 £	2021 £	2021 £
<b><u>Income from:</u></b>					
Donations and legacies	3	222,428	-	42,289	264,717
Charitable activities	4	32,670	-	-	32,670
Investments	5	41,103	-	-	41,103
<b>Total income</b>		<b>296,201</b>	<b>-</b>	<b>42,289</b>	<b>338,490</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	59,707	-	-	59,707
Charitable activities	7	202,679	-	46,686	249,365
<b>Total resources expenses</b>		<b>262,386</b>	<b>-</b>	<b>46,686</b>	<b>309,072</b>
Net gain on investments	11	275,709	-	-	275,709
<b>Net incoming/(outgoing) resources before transfers</b>		<b>309,524</b>	<b>-</b>	<b>(4,397)</b>	<b>305,127</b>
Gross transfers between funds		(303,691)	305,825	(2,134)	-
<b>Net income/(expenditure) for the year: Net movement in funds</b>		<b>5,833</b>	<b>305,825</b>	<b>(6,531)</b>	<b>305,127</b>
Fund balances at 1 April 2020		74,167	1,958,056	1,207,119	3,239,342
<b>Fund balances at 31 March 2021</b>		<b>80,000</b>	<b>2,263,881</b>	<b>1,200,588</b>	<b>3,544,469</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# ORTHOPAEDIC INSTITUTE LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Designated funds	Restricted funds	Total
	Notes	2020 £	2020 £	2020 £	2020 £
<b>Income from:</b>					
Donations and legacies	3	119,785	-	8,403	128,188
Charitable activities	4	224,256	-	8,005	232,261
Investments	5	50,114	-	-	50,114
<b>Total income</b>		<b>394,155</b>	<b>-</b>	<b>16,408</b>	<b>410,563</b>
<b>Expenditure on:</b>					
Raising funds	6	143,230	-	6,192	149,422
Charitable activities	7	270,454	-	29,760	300,214
<b>Total resources expended</b>		<b>413,684</b>	<b>-</b>	<b>35,952</b>	<b>449,636</b>
Net (loss)/gain on investments	11	(196,329)	-	-	(196,329)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(215,858)</b>	<b>-</b>	<b>(19,544)</b>	<b>(235,402)</b>
Gross transfers between funds		210,025	(210,025)	-	-
<b>Net income/(expenditure for the year: Net movement in funds</b>		<b>(5,833)</b>	<b>(210,025)</b>	<b>(19,544)</b>	<b>(235,402)</b>
Fund balances at 1 April 2019		80,000	2,168,081	1,226,663	3,474,744
<b>Fund balances at 31 March 2020</b>		<b>74,167</b>	<b>1,958,056</b>	<b>1,207,119</b>	<b>3,239,342</b>

# ORTHOPAEDIC INSTITUTE LTD

## BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,285,193		1,322,993
Investments	13		1,607,141		1,335,368
			<u>2,892,334</u>		<u>2,658,361</u>
<b>Current assets</b>					
Debtors	15	6,756		2,977	
Cash at bank and in hand		691,017		707,294	
		<u>697,773</u>		<u>710,271</u>	
<b>Creditors: amounts falling due within one year</b>	17	(45,638)		(129,290)	
Net current assets			652,135		580,981
<b>Total assets less current liabilities</b>			<u>3,544,469</u>		<u>3,239,342</u>
<b>Net assets</b>			<u>3,544,469</u>		<u>3,239,342</u>
<b>Income funds</b>					
Restricted funds	20		1,200,588		1,207,119
Unrestricted funds:					
Designated funds			2,263,881		1,958,056
Unrestricted funds			80,000		74,167
Total unrestricted funds			<u>2,343,881</u>		<u>2,032,223</u>
			<u>3,544,469</u>		<u>3,239,342</u>

The financial statements were approved by the Trustees on 8th September 2021



Mr E R Evans  
Chairman and Trustee

Company Registration No. 02992437

The notes on pages 13 to 30 form part of these financial statements

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

Orthopaedic Institute Ltd is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Arthritis Research Centre, RJAH Hospital, Oswestry, Shropshire, SY10 7AG. The registered number is 02992437. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

#### 1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

The Trustees have considered the ongoing Covid-19 scenario and concluded that it will have continue to impact on the new financial year. The course provision has changed significantly over the last 18 months. Legacy income and donations have enabled the charity to continue to support research and education over the year, despite the significant decline in course income. The charity continues to adapt to meet the needs of its members, course attendees, and requirements of the NHS Trust. Steps have been taken to ensure there are appropriate business and strategic plans in place to manage the ongoing changes. The position is under constant review.

#### 1.3 Charitable funds

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

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income recognition

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

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (continued)

##### Income recognition (continued)

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Investment income is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

#### 1.5 Expenditure recognition

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

- Costs of raising funds includes of costs of fundraising and events, costs of running courses and educational events and investment management fees;
- Expenditure on charitable activities includes research salaries and related expenditure, costs of promoting further education and training and depreciation of the leasehold premises; and
- Other expenditure represents those items not falling into the categories above.

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

Research proposals are appraised by the Research Panel and presented to the members for support. On approval, funds are allocated to individual research projects and costs are spent as they arise over the course of the project. On completion any surplus is reallocated to the relevant fund from which it was originally allocated; any cost overrun must return to the Research Panel for appraisal before approval by the members.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

#### 1.6 Support costs allocation

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

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 8.

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (continued)

##### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Long leasehold	Over the period of the lease
----------------	------------------------------

With the exception of the long leasehold property the Charity operates a policy of charging all expenditure on capital items to the Statement of Financial Activities in the year in which it is occurred.

##### 1.8 Fixed asset investments

Listed investments are included in the Balance Sheet at market value. Unlisted investments are included at cost as an approximation of market value unless there is specific evidence to the contrary.

##### 1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.10 Stocks

The Charity holds stock of specialist publications for use on courses held for external sales. At the year end it was not possible to measure the net realisable value of this stock with certainty to permit its inclusion in the financial statements. This is largely due to the high volume of stock held which has an indeterminate useful life.

##### 1.11 Cash and cash equivalents

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

##### 1.12 Financial instruments

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

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

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

##### **Basic financial assets**

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

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (continued)

##### Financial instruments (continued)

###### **Basic financial liabilities**

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

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

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

###### **Derecognition of financial liabilities**

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

#### 1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Taxation

The Charity is exempt from corporation tax on its charitable activities.

#### 1.16 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

#### 1.17 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.

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Donations and gifts	11,859	42,289	54,148	44,443
Legacies	210,569	-	210,569	83,745
	<hr/>	<hr/>	<hr/>	<hr/>
	222,428	42,289	264,717	128,188
	<hr/>	<hr/>	<hr/>	<hr/>
<b>For the year ended 31 March 2020</b>	119,785	8,403		128,188
	<hr/>	<hr/>		<hr/>

**ORTHOPAEDIC INSTITUTE LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

4 Charitable activities	Course fee income		Publishing		Services provided by the Institute		Fundraising events		Total	
	2021	£	2021	£	2021	£	2021	£	2021	2020
Sales within charitable activities	13,108		400		18,580		582		32,670	232,261
Analysis by fund										
Unrestricted funds	13,108		400		18,580		582		32,670	224,256
Restricted funds	-		-		-		-		-	8,005
	13,108		400		18,580		582		32,670	232,261
<b>For the year ended 31 March 2020</b>										
Unrestricted funds	210,244		2,376		11,636		-		224,256	
Restricted funds	-		-		-		8,005		8,005	
	210,244		2,376		11,636		8,005		232,261	

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 5 Investments

	Unrestricted Funds 2021 £	Unrestricted funds 2020 £
Income from listed investments	40,173	47,832
Interest receivable	930	2,282
	<u>41,103</u>	<u>50,114</u>

### 6 Raising funds

	2021 £	2020 £
<u>Fundraising and publicity</u>		
Staging fundraising events and related costs	2,705	12,366
Staff costs	26,600	27,122
	<u>29,305</u>	<u>39,488</u>
<u>Courses and educational events</u>		
Course expenses	504	78,681
Staff costs	25,543	27,122
	<u>26,047</u>	<u>105,803</u>
Course costs	26,047	105,803
<u>Investment management</u>	4,355	4,131
	<u>59,707</u>	<u>149,422</u>

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Charitable activities

	2021 £	2020 £
Depreciation and impairment	37,800	37,800
Research and laboratory equipment	95,225	97,911
Education, training and prizes	368	10,232
Research salaries, fees and expenses	92,833	136,369
	<u>226,226</u>	<u>282,312</u>
Share of governance costs (see note 8)	23,139	17,902
	<u>249,365</u>	<u>300,214</u>

### 8 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Sub-contractor costs	-	6,194	6,194	7,778
Printing, stationery and miscellaneous	-	11,845	11,845	5,144
Auditors' remuneration	-	5,100	5,100	4,980
	<u>-</u>	<u>23,139</u>	<u>23,139</u>	<u>17,902</u>
Analysed between				
Charitable activities	-	23,139	23,139	17,902

Governance costs includes payments to the auditors of £5,100 (2020 - £4,980) for audit fees.

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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<b>9 Employees</b>	<b>2021</b>	<b>2020</b>
The average monthly number of employees during the year was:	<u>2</u>	<u>2</u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	50,688	51,400
Social security costs	469	1,712
Other pension costs	986	1,132
	<u>52,143</u>	<u>54,244</u>

Other employment services required by the Charity were supplied by employees of RJAH Orthopaedic Hospital NHS Foundation Trust in respect of research, education and administration duties and invoiced to The Institute by the Hospital.

A part-time book-keeper and part-time administrator are engaged by The Institute and are both self-employed.

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

### 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or expenses from the Charity during the year.

### 11 Net gains/(losses) on investments

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Realised gain	240	343
Unrealised gain/(loss)	275,469	(196,672)
Net gain/(loss) on investments	<u>275,709</u>	<u>(196,329)</u>

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# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 12 Tangible fixed assets

	Short leasehold £
<b>Cost</b>	
At 1 April 2020	1,979,993
At 31 March 2021	<u>1,979,993</u>
<b>Depreciation and impairment</b>	
At 1 April 2020	657,000
Depreciation charged in the year	37,800
At 31 March 2021	<u>694,800</u>
<b>Carrying amount</b>	
At 31 March 2021	<u>1,285,193</u>
At 31 March 2020	<u>1,322,993</u>

The leasehold property is the Leopold Muller Arthritis Research Centre. This building was constructed on land held on a 60 year lease that started on 28th March 1995. No depreciation was charged during the first 8 years of the lease. The leasehold interest which now covers both the land and the building is now being amortised so as to write off the cost of construction of the building over the remaining period of the lease.

The RJA Orthopaedic Hospital NHS Foundation Trust have undertaken to provide cover on the building equivalent to that normally provided by a comprehensive insurance policy.

#### 13 Fixed asset investments

	Listed investments £	5% Loan stock £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	1,242,832	92,536	1,335,368
Disposals	(3,696)	-	(3,696)
Valuation changes	275,469	-	275,469
At 31 March 2021	<u>1,514,605</u>	<u>92,536</u>	<u>1,607,141</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>1,514,605</u>	<u>92,536</u>	<u>1,607,141</u>
At 31 March 2020	<u>1,242,832</u>	<u>92,536</u>	<u>1,335,368</u>

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Fixed asset investments (Continued)

#### Fixed asset investments revalued

Costs of investments held at 31 March 2021 £1,307,861 (2020 - £1,311,552).

5% loan stock relates to loan notes to Ashfield 2018 Limited received on the sale of its shares in Arklow Engineering Limited. Whilst the Charity has a legal obligation to receive these funds in 2023, at the date of signing these financial statements the Trustees do not have certainty as to whether this will be recoverable. No provision has been made against the value of the loan stock.

14 Financial instruments	2021 £	2020 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	790,309	802,807
Equity instruments measured at cost less impairment	1,307,861	1,322,993
	<u>                    </u>	<u>                    </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	27,536	98,184
	<u>                    </u>	<u>                    </u>

Financial assets measured at amortised cost consists of trade debtors, other debtors, loan stock and cash at bank and in hand.

Financial liabilities measured at amortised cost consists of trade creditors and accruals.

In relation to the equity instruments measured at fair value, income of £40,173 (2020 - £47,832) has been recognised in the year. The fair value adjustment for the year was a gain of £275,469 (2020 – a loss of £196,672).

### 15 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	6,096	-
Other debtors	660	2,977
	<u>                    </u>	<u>                    </u>
	6,756	2,977
	<u>                    </u>	<u>                    </u>

### 16 Analysis of investments at market value

	2021 £	2020 £
UK Equities	1,514,605	1,242,832
Unlisted Loan Stock	92,536	92,536
	<u>                    </u>	<u>                    </u>
	1,607,141	1,335,368
	<u>                    </u>	<u>                    </u>

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 17 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	1,273	1,120
Trade creditors	6,399	91,754
Other creditors	78	157
Deferred income	16,751	29,826
Accruals	21,137	6,433
	<u>45,638</u>	<u>129,290</u>

#### 18 Deferred Income

Deferred income represents course fees paid during the year which relate to courses held in the following year and amounts received in the year ended 31 March 2021 for fundraising events to take place after 31 March 2021. The amount deferred at the year-end will be released in the year ended 31 March 2022 as the relevant courses are provided to the delegates and the fundraising events take place.

	2021	2020
	£	£
Deferred income as 1 April	29,826	63,225
Amounts released in the year	(13,093)	(63,225)
	<u>16,733</u>	<u>-</u>
B/fwd deferred income remaining	16,733	-
	<u>16,751</u>	<u>29,826</u>

#### 19 Retirement benefit schemes

##### Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £986 (2020 - £1,132).

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 20 Movement in funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

2021	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
Unrestricted	74,167	296,201	(262,386)	(303,691)	275,709	80,000
Designated	1,958,056	-	-	305,825	-	2,263,881
	2,032,223	296,201	(262,386)	2,134	275,709	2,343,881
Restricted	1,207,119	42,289	(46,686)	(2,134)	-	1,200,588
	3,239,342	338,490	(309,072)	-	275,709	3,544,469

A detailed analysis of the movement in funds is given in note 22.

2020	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>						
Unrestricted	80,000	394,156	(413,684)	210,025	(196,330)	74,167
Designated	2,168,081	-	-	(210,025)	-	1,958,056
	2,248,081	394,156	(413,684)	-	(196,330)	2,032,223
Restricted	1,226,663	16,408	(35,952)	-	-	1,207,119
	3,474,744	410,564	(449,636)	-	(196,330)	3,239,342

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 21 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	-	473,819	811,374	1,285,193
Investments	-	1,607,141	-	1,607,141
Current assets/(liabilities)	80,000	182,921	389,214	652,135
	80,000	2,263,881	1,200,588	3,544,469

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	-	487,756	835,237	1,322,993
Investments	-	1,335,368	-	1,335,368
Current assets/(liabilities)	74,167	134,932	371,882	580,981
	74,167	1,958,056	1,207,119	3,239,342

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 22 Analysis of funds

	Total fund balance to 01/04/20	Costs	Income	Transfers	Total fund balance to 31/03/21
General purposes	74,167	(67,372)	119,840	(46,634)	80,000
General purposes – designated	-	-	-	51,509	51,509
Course (Exp/Inc/Tfr)	-	(15,862)	28,121	(12,259)	-
Orthopaedic development fund	69,196	(370)	141	1,371	70,338
Professorial suspense fund	62,139	-	-	1,205	63,343
Anatomy fund (incorporating Henry Freede Fund)	83,171	(23,560)	11	6,724	66,346
Arthroplasty fund	216,863	-	1,200	5,001	223,064
Arthroplasty fund – restricted	41,108	-	-	-	41,108
Research fund (Tony Smith)	2,263	-	-	47	2,310
Research fund (Tony Smith) – restricted	147	-	-	-	147
RJP Upper Limb fund	13,536	-	-	262	13,799
CIND fund	15,488	(12)	12,580	380	28,436
CIND fund – restricted	4,126	-	-	-	4,126
ENT course fund	10,986	-	-	299	11,285
ENT course fund – restricted	4,441	-	-	-	4,441
Foot & Ankle research fund (NM)	82,372	-	100	2,145	84,616
Hand surgery res & trg fund	13,334	(1,400)	232	18	12,185
Hip unit (formerly JRR & D)	2,007	-	-	39	2,046
Histopathology research fund	249	-	-	5	254
Upper Limb (Hand & Wrist) fund	5,699	-	-	310	6,010
Limb reconstruction fund (AB)	34,367	(775)	2,276	666	36,534
Fund Generation fund (previously London Marathon)	2,082	-	-	107	2,189
Fund Generation fund (previously London Marathon) - restricted	3,426	-	-	-	3,426
Medical photography	4,814	(7,392)	-	10,186	7,608
Micro surgery fund	5,062	-	-	98	5,160
Muscular dystrophy fund	1,061	-	-	21	1,082
OSCAR fund	3,565	-	-	69	3,634
Oncology fund	61,212	(3,591)	713	1,202	59,534
Oncology fund – restricted	780	-	-	-	780
Orthotic research fund	7,692	-	-	149	7,841
Oscell fund	27,297	(20,000)	-	529	7,827
Paediatrics fund	3,247	-	-	136	3,383
Paediatrics fund – restricted	3,772	-	-	-	3,772
Club Foot fund (replaces Paediatric Neurology)	65	-	-	24	88
Club Foot fund (replaces Paediatric Neurology) - restricted	1,148	-	-	-	1,148
Pharmacy fund (replaces Pathology Museum)	357	-	-	7	363
Postgraduate fund	744	-	-	14	758
Publishing fund (JBR + VCP)	47,822	(20)	440	927	49,169
Radiology fund	85,700	-	-	1,661	87,362
Radiography fund	925	-	-	18	943
Registrars day fund (S-J)	12,540	(510)	59	243	12,332
Research fund (Arthritis & Rheumatology)	6,993	-	-	(4,889)	2,103
Research fund (Arthritis & Rheumatology) – restricted	2,134	-	-	(2,134)	-
Research fund (General)	315,973	(91,473)	4,212	174,602	403,315
Legacy income	75,000	-	118,500	(193,500)	-
Research fund (General) – restricted	244,085	(2,483)	42,289	-	283,891
Research fund (JBR)	25,637	(14,660)	-	(10,977)	-
Research fund (JBR) – restricted	20,340	(20,340)	-	-	-
Research fund (S White)	4,995	-	-	100	5,094
Research fund (S White) – restricted	160	-	-	-	160
Charles Salt research fund	34,247	-	-	664	34,911
Radiology Research fund	127	-	-	5	131
Radiology Research fund – restricted	110	-	-	-	110
Spinal injuries fund	92,855	-	-	1,870	94,725
Spinal injuries fund – restricted	3,608	-	-	-	3,608
Spinal injuries staff fund	4,709	-	-	91	4,800
<i>c/f</i>	1,839,938	(269,820)	330,712	(7,686)	1,893,144

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 22 Analysis of funds (continued)

	Total fund balance to 01/04/20	Costs	Income	Transfers	Total fund balance to 31/03/21
b/f	1,839,938	(269,820)	330,712	(7,686)	1,893,144
Spinal studies centre	47,075	-	-	1,127	48,201
Spinal studies centre – restricted	11,041	-	-	-	11,041
Spinal studies research projects (BC)	3,967	(483)	3,600	227	7,311
Spinal studies research projects (BC) – restricted	7,725	-	-	-	7,725
Sports injury research fund	36,426	-	-	706	37,132
Teaching fund (R Banerjee)	5,914	-	200	144	6,258
Teaching fund (R Banerjee) – restricted	1,535	-	-	-	1,535
Lloyd Griffiths prize	1,407	(32)	-	35	1,410
Lloyd Griffiths prize – restricted	418	-	-	-	418
WG Davies prize	2,469	-	-	119	2,588
WG Davies prize – restricted	3,645	-	-	-	3,645
Division of nursing studies	4,336	-	-	105	4,441
Division of nursing studies – restricted	1,106	-	-	-	1,106
J Rowland Hughes prize	388	(10)	-	10	388
J Rowland Hughes prize – restricted	153	-	-	-	153
Dr W M Park memorial fund	2,343	-	-	49	2,393
Dr W M Park memorial fund – restricted	209	-	-	-	209
Friday PM fund	1,197	-	14	23	1,234
Anesthetist's fund	5,438	-	-	105	5,543
Rheumatology Educational fund (Dr A Askari)	8,263	-	300	223	8,786
Rheumatology Educational fund – restricted	3,264	-	-	-	3,264
GP Study Day fund	15,927	(927)	-	3,380	18,381
Veterans Centre fund	6,296	-	3,904	157	10,357
Veterans Centre fund – restricted	1,813	-	-	-	1,813
Dr B Tins fund	4,718	-	-	1,148	5,866
Dr B Tins fund – restricted	11,589	-	-	-	11,589
SAS Doctors Conference fund	3,473	-	-	67	3,540
Bioinformatics	3,129	-	-	61	3,190
Sub-total	2,035,203	(271,272)	338,730	-	2,102,661
LMA Research centre	487,756	(13,937)	-	-	473,819
LMA Research centre – restricted	835,237	(23,863)	-	-	811,374
Unrealised gains	(118,854)	-	275,469	-	156,615
Total	3,239,342	(309,072)	614,199	-	3,544,469
<b>Summary</b>					
Restricted funds	1,207,119	(46,686)	42,289	(2,134)	1,200,588
Designated funds	1,958,056	-	-	305,825	2,263,881
Unrestricted funds	74,167	(262,386)	571,910	(303,691)	80,000
Total	3,239,342	(309,072)	614,199	-	3,544,469

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 22 Analysis of funds (Continued)

#### Major funds with balances greater than £25,000

**Anatomy Fund incorporating the Henry Freede Anatomy Fund**  
Finances teaching and research work under the discretion of Dr D.C.Jaffray.

**Arthroplasty Fund**  
For research and training by Arthroplasty Unit.

**Charles Salt Research Fund**  
Used for various projects including 'Osteoporosis in Men' research.

**Centre for Inherited Neuromuscular Disease (CIND) Fund**  
Fund is for finding new treatments for inherited neuromuscular disease.

**Foot & Ankle Research Fund**  
This funds research and training activities into feet and ankles.

**Limb Reconstruction Fund**  
Used for research by Mr A Bing into limb reconstruction.

**L.M.A.R.C**  
This fund represents the monies given to build the Leopold Muller Arthritis Research Centre which houses the work of the charity. The main source of funds was a bequest of £1.25 million from the Leopold Muller Foundation. The Orthopaedic Institute Limited holds this building on a 60 year lease that commenced on 28th March 1995.

**Oncology Fund**  
This funds research into cancers.

**Orthopaedic Development Fund**  
Orthopaedic Development Fund will support the new Professor.

**Professorial Suspense**  
This fund is for the charity's academic professorial successor to seek fund selected research projects before external funding is sought.

**Publishing Fund**  
This fund is for the publishing of books for courses under the jurisdiction of the Professor and Dr VPullicino.

**Radiology Fund**  
This fund is used for Radiologists' education, training and research.

**Research Fund (General)**  
Funds various approved research projects within the RJAHS NHS Trust.

**Spinal Injuries Fund**  
Funds research into management of spinal injuries.

**Spinal Studies Centre**  
Funds held for use in the Spinal Injuries Centre.

**Sport Injuries Research**  
Funds raised for the support of research into Sports Injuries.

# ORTHOPAEDIC INSTITUTE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 22 Analysis of funds (Continued)

#### Material Transfers

The reasons for material transfers between different classes of funds are set out below.

General fund – allocation of interest and dividends across funds and transfer to general designated fund following designation to research and training.

Course fund – allocation of course profits to funds.

Orthopaedic Development fund – receipt of course profits and provision of funds to research grants.

Research fund (general) – funds allocated for specific research projects & reallocation of legacy funds to the general fund to be allocated to future research projects & education

#### Unrestricted Funds

Included in unrestricted funds are designated funds, during the year transfers are made between these designated funds at the Trustees' discretion.

### 23 Financial commitments, guarantees and contingent liabilities

The Trustees have approved on-going research commitments over the next two years totalling £512,361 (2020: £416,116). This represents the allocation of funds to research projects to be spent by the Charity as costs arise over the course of the research.

### 24 Related party transactions

#### Remuneration of key management personnel

Key management personnel are the Trustees. No remuneration is paid to key management personnel.

#### Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

The Charity operates within the environs of the RJA Orthopaedic Hospital NHS Foundation Trust. Due to this a significant number of transactions are undertaken between the two entities, the transactions are within the normal activities of the Charity and are conducted on an arm's length basis. Due to the volume of such transactions it is not practical to separately identify the total amount arising during the year.

The staff undertaking research projects, teaching and administration are engaged by the NHS Trust. Their salary costs are recharged by the RJA Orthopaedic Hospital NHS Foundation Trust to the Charity on a monthly basis.

During the year the Charity made purchases of £138,371 (2020: £206,580) from RJA Orthopaedic Hospital NHS Foundation Trust for goods and services and contribution to shared project costs.

At the year end £5,663 (2020: £85,495) was owed to the RJA Orthopaedic Hospital NHS Foundation Trust for goods and services.

During the year the Charity made recharges of expenditure of £4,045 (2020: £6,171) to RJA Orthopaedic Hospital NHS Foundation Trust.

No guarantees have been given or received.