

**The John Charnley Trust**  
**Report of the Trustees and**  
**Audited Financial Statements**  
**for the Year Ended 30 June 2023**

# The John Charnley Trust

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# The John Charnley Trust

## Report of the Trustees for the year ended 30 June 2023

The trustees present their report with the financial statements of the charity for the year ended 30 June 2023..

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

### OBJECTIVES AND ACTIVITIES

#### Objectives and activities

The object of the Charity is the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of Low Friction Arthroplasty of the hip and related areas of surgery.

The principal activities of the charity continue to be those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

#### Significant activities

The objectives for the year were to continue the promotion of research, education and training in the field of orthopaedic surgery. In achieving these aims the charity was able to carry out the following;

The charity promoted education and training by creating The Charnley Latta Fellowship in 2010 from the gift of the late Mrs Doreen Latta, a patient who underwent reconstructive surgery at Wrightington Hospital and thereafter had over 30 years of pain-free walking and led a normal life. Applications continue to be invited from committed orthopaedic surgeons for the unique opportunity to visit centres of excellence in reconstructive hip and knee surgery world-wide.

The charity promoted education by creating the Patient Information Centre at Wrightington. Due to redevelopment work at Wrightington Hospital the historical collection was largely placed in temporary storage although plans are being currently developed for a new site.

The Memorial Lecture was by Prof Klaus Siebenrock in March 2023 at the British Hip Society.

The charity promoted education and research by making grants including: -

|  |   |
|--|---|
| SM Graham                              | On behalf of Malawi National Joint Register   |
| Wrightington Wigan and Leigh NHS Trust | Research and education coordination by H Wynn Jones and T Board assisted by H Divecha and S Panchani, |
| Wrightington Wigan and Leigh NHS Trust | Origin Study by T Board   |
| Z Ahmad                                | The Charnley Latta Travelling Scholarship   |
| C Welton                               | BOA Future leaders programme  |

The funding from the Charity facilitates the growth and development in Hip and Knee research and Lower Limb Education at Wrightington Hospital.

Research and Education activity continues to thrive with the help of funding and secretarial support from the Trust.

#### 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.

# **The John Charnley Trust**

## **Report of the Trustees for the year ended 30 June 2023**

### **OBJECTIVES AND ACTIVITIES**

#### **Grantmaking**

The charity receives applications for the funding of projects through its website and publications and applicants are invited to submit a summary of their proposals in a standard format. The applications are reviewed against specific criteria and research objectives. As a condition of the grant the charity requests a copy of the final report on each piece of research or fellowship. All research is made publicly available as soon as possible and all those supported refer to the financial assistance provided by the charity.

# The John Charnley Trust

## Report of the Trustees for the year ended 30 June 2023

### ACHIEVEMENT AND PERFORMANCE

#### Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £1,280 (2022: £318).

#### Education and Courses.

Courses held in 2023 include:

Lower Limb FRCS Courses were held on January, March and September in the Wrightington Conference Centre organised by Henry Wynn Jones, Sunil Panchani and Chris Whelton.

The John Charnley Gold Medal Research Day was held in the Wrightington Conference Centre in June organised by Henry Wynn Jones and Sunil Panchani.

The American Hip Society/ British Hip Society Travelling Fellows spent two days visiting Wrightington in September 2022 organised by Henry Wynn Jones.

The ABC Fellows visited Wrightington in September 2022 organised by Henry Wynn Jones

The Low Friction Society meeting was organised in the Wrightington Conference Centre by Martyn Porter.

The Wrightington International Arthroplasty Meeting was held at Old Trafford Cricket Club in November 2022. This was a major international meeting with speakers from Europe and USA with video link organised by Adam Watts and Henry Wynn Jones.

The BHS Forum held in Cambridge was organised by Henry Wynn Jones in January 2023.

The Acetabular Revision Masterclass in March 2023 was organised by Henry Wynn Jones and Sunil Panchani.

The Northwest Regional Revision Knee Audit Meeting in March in Manchester was organised by Anil Gambhir.

Northwest Deanery Teaching was held in October and organised by Chris Whelton.

VELYS Robotic-Assisted Solution Sawbone Workshop was held in November and organised by Henry Wynn Jones

The Northwest Periprosthetic Fracture Course was held in November and organised by Henry Wynn Jones and Sunil Panchani.

Courses planned for 2024 include:

Lower Limb FRCS Viva Courses - January, March and September

BHS Hip Forum in Glasgow on 15 and 16 January 2024

Casting Course to be held on 10 February 2024

Acetabular Revision Masterclass on 26 March 2024

John Charnley Gold Medal Research Day on 28 June 2024

Northwest Deanery Teaching - October 2024

BHS Principles of Hip Arthroplasty for ST3/4 to be held on 11 October 2024

Wrightington International Arthroplasty Meeting - Hip and Knee, planned for November 2024

#### Visitations/Electives

There have been many visitations/electives through 2023 with further planned for 2024.

#### Research

Lower limb research activity has continued to progress.

In 2023 we published 16 papers on research relating to hip and knee arthroplasty, biomechanics and data analysis. Some highlights include ongoing output on mortality of revision for different indications, development of inertial tracking and magnetic field sensing system for in-vivo monitoring of hip joint range of movement and stability, analysis of gait after THR and exploring which patients with early osteoarthritis do well after THR (see appendix)

Progress with a number of clinical studies is summarised below:

1. HAPI - NIHR portfolio. Completed recruitment and surgeries. In patient follow-up stage
2. HipHOP - NIHR funded. Completed. Presented. Being written up for publication. Unfortunately our HTA grant applicant for the full RCT was rejected, mostly due to the fact that a group from Bristol had recently been awarded a program grant to do a very similar trial. We are now in collaboration with that group.
3. ORIGIN - JCT/ Symbios joint funded. Recruitment due to reopen
4. RESULT-Hip - NIHR portfolio study in hip fracture surgery. Recruiting from Acute trauma site.

# The John Charnley Trust

## Report of the Trustees for the year ended 30 June 2023

a. Hiren Divecha has supported/ mentored the research development of an allied healthcare professional through the NIHR Associate PI Scheme (Amy Atkinson, Orthogeriatric Practitioner).

We have completed a Priority Setting Partnership process with the James Lind Alliance, in collaboration with numerous individuals that included multidisciplinary healthcare professionals and patients who are/ have been involved in revision hip arthroplasty. The aim of this process was to generate a list of what the broader orthopaedic community and patients/ public felt were the top 10 key priorities in Revision Hip Arthroplasty. This process has been led by Tim Board, and was completed towards the end of 2023. The final priority list will be published in 2024, as well as appearing in the public domain on the James Lind Alliance website. We hope that the output from this lengthy process will support and enable high quality, prioritised research in this area for the benefit of the patients we treat in our healthcare system.

There have been multiple presentations at the British Hip Society and British Orthopaedic Association annual meetings.

We continue to support the Registrars and Fellows in their projects, running regular zoom meetings which have also included meetings for practicing presentations in the lead up to a formal presentation at an Orthopaedic meeting.

Projects in development include a recently submitted application to the NIHR Product Development funding stream in collaboration with Edge Hill and myrecovery.ai using their Deep Vision platform to assess range of movement of joints after surgery via a smartphone. A second collaborative project with Edge Hill that is under development is planned for submission to the MRC in the new year. This project will be assessing functional outcome of total hip replacement using gait analysis and relating this to 3 dimensional reconstruction of hip biomechanics and other factors.

### Investment performance

The investment strategy is set with the aim to provide an overall income and capital growth within medium risk investments. Considering the uncertainty in the markets over this and recent years caused by both Covid19 and Brexit, the performance of the charity's portfolio in that period is not dissimilar to the movements experienced in the FTSE-100 index in the same period (7,531 at 30 June 2023, 7,169 at 30 June 2022, 7,037 at 30 June 2021 6,170 at 30 June 2020 and 7,426 June 2019).

### Internal and external factors

There are many internal and external factors which will affect the future performance of the charity. The trustees meet regularly and conduct regular reviews to safeguard the charity.

At the time of writing this report we are still emerging from the Covid19 global pandemic which has brought unprecedented change to how people go about their daily lives. As discussed in "Investment Performance" there has been volatility in the UK, world economies, stock markets and there remains uncertainty over future investment growth, dividend income and bank interest. Our investment portfolio has suffered due to the uncertainty over the Covid 19 pandemic and its future performance will no doubt continue to be uncertain for some time. The continuing effects of Brexit and government budgetary constraints will also no doubt continue to affect how the charity is able to deliver its objectives.

## FINANCIAL REVIEW

### Financial position

The financial position of the charity as set out in the financial statements. The charity maintains a healthy cash balance to deal with any circumstances as they arise.

### Principal funding sources and fundraising

- .The charity derives its' income from three main sources;
- Legacies and donations.
  - Investment returns from investment assets.
  - Training income and sale of merchandise.

The amount of any legacies received in any year is outside the control of the charity and is purely dependant upon the generosity of the donors. Investment income is dependent upon general economic and investment market conditions whilst the provision of training and courses is dependent upon take-up which can be affected by, travel restrictions and face to face meetings.

# The John Charnley Trust

## Report of the Trustees for the year ended 30 June 2023

### FINANCIAL REVIEW

#### Investment policy and objectives

The trustees have engaged Brooks MacDonald as investment managers who operate within guidelines agreed with the trustees. The trustees have asked the investment managers to consider social, environmental and ethical criteria when managing the portfolio. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of the demand for funds. The trustees consider the income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. This strategy is set within an overall policy to invest in medium risk investments with an aim of overall income and capital growth. The strategy is reviewed with the investment managers at each trustees meeting. The value of the investments is in line with the investment strategy which aims to provide gross income (including cash on deposit with investment manager) of a minimum of £30,000 per annum insofar as is compatible with the investment objective of a balanced return from income and capital growth.

#### Reserves policy

In order that the trustees can meet the aims set out above they need to be able to provide longer-term certainty to projects that are supported by the charity. It is for this reason that the trustee's reserves policy is to continue to accumulate funds so as to maintain investments to give an aim of annual investment income of at least £30,000 towards grants continuing to be made.

The funds in the financial statements are defined as:

#### General Fund and Charnley Latta Fellowship

This fund is unrestricted and is used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 30 June 2023 were £1,482,461 and £15,619 respectively.

#### Restricted Fund: Wrightington Upper Limb Research

This fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery. The amount held in this fund as at 30 June 2023 was £28,921.

#### Funds in deficit

There are no funds in deficit.

### FUTURE PLANS

The trustees intend to carry on with the objectives and policies as they stand at present which in their opinion have led to both a successful management of resources and the furthering of medical knowledge.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The John Charnley Trust is an unincorporated charity, constituted under a trust deed dated 27 June 1983.

#### Recruitment and appointment of new trustees

The trustees who have served during the year are set out below and their appointment is based on their knowledge of the aims of the charity.

New trustees are recruited by contact with appropriately qualified individuals and appointed as required in line with the Charity's objectives. Appropriate induction and training will be given to any new trustees. The trustees generally meet twice a year, but a sub group meets more frequently to assess grant applications and then report to the full board of the Trustees.

#### Organisational structure and decision making

The management of the charity is vested in the trustees who meet at least twice a year to consider matters such as the performance of the investment portfolio and to decide both the value and recipients of grant expenditure.

# The John Charnley Trust

## Report of the Trustees for the year ended 30 June 2023

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Related parties

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs who are also trustees of the charity. The amounts paid are disclosed in the notes to the financial statements.

#### Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Registered Charity number

326395

#### Principal address

28 Eaton Avenue  
Matrix Office Park  
Buckshaw Village  
Chorley  
Lancashire  
PR7 7NA

#### Trustees

JC Faux FRCS  
T Charnley BA  
I Paterson OBE TD FCIB (resigned 20/10/2023)  
ML Porter FRCS Chairman  
AC Ross MB FRCS  
JP Hodgkinson FRCS  
H Wynn Jones FRCS(Tr&Orth)  
Professor AC Watts FRCS(Tr&Orth)  
RW Parkinson FRCS(EdOrth)

#### Auditors

A I Cherry Limited  
Chartered Accountants and  
Statutory Auditors  
26 Winckley Square  
Preston  
PR1 3JJ

# The John Charnley Trust

## Report of the Trustees for the year ended 30 June 2023

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Secretaries and Financial Advisers

McMillan & Co LLP  
Chartered Accountants  
28 Eaton Avenue  
Matrix Office Park  
Buckshaw Village  
Chorley  
Lancashire  
PR7 7NA

Telephone 01772 299888  
E-mail mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

#### Bankers

HSBC Bank plc.

#### Investment managers

Brooks MacDonald Asset Management, Manchester

### FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity does not hold any funds as a custodian.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Approved by order of the board of trustees on 13 March 2024 and signed on its behalf by:

ML Porter FRCS - Trustee

# Report of the Independent Auditors to the Trustees of The John Charnley Trust

## Opinion

We have audited the financial statements of The John Charnley Trust (the 'charity') for the year ended 30 June 2023 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Report of the Independent Auditors to the Trustees of The John Charnley Trust

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

## Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.

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 Report of the Independent Auditors.

# **Report of the Independent Auditors to the Trustees of The John Charnley Trust**

## **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A I Cherry Limited  
Chartered Accountants and  
Statutory Auditors  
26 Winckley Square  
Preston  
PR1 3JJ

13 March 2024

# The John Charnley Trust

## Statement of Financial Activities for the year ended 30 June 2023

|                                    | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2023<br>Total<br>funds<br>£ | 2022<br>Total<br>funds<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                            |                          |                             |                             |
| Donations and legacies             | 3     | 1,280                      | -                        | 1,280                       | 318                         |
| <b>Charitable activities</b>       |       |                            |                          |                             |                             |
| Training                           | 5     | -                          | -                        | -                           | 300                         |
| Education                          |       | 56,280                     | -                        | 56,280                      | 31,060                      |
| Investment income                  | 4     | 28,786                     | -                        | 28,786                      | 24,952                      |
| <b>Total</b>                       |       | <b>86,346</b>              | <b>-</b>                 | <b>86,346</b>               | <b>56,630</b>               |
| <b>EXPENDITURE ON</b>              |       |                            |                          |                             |                             |
| Raising funds                      | 6     | 10,755                     | -                        | 10,755                      | 14,597                      |
| <b>Charitable activities</b>       |       |                            |                          |                             |                             |
| Grants                             | 7     | 60,186                     | -                        | 60,186                      | 70,981                      |
| Memorial Lecture                   |       | 612                        | -                        | 612                         | -                           |
| Training                           |       | -                          | -                        | -                           | 2,744                       |
| Gold Medal Day                     |       | -                          | -                        | -                           | 1,004                       |
| Education                          |       | 27,468                     | -                        | 27,468                      | 2,547                       |
| Other                              |       | 17,000                     | -                        | 17,000                      | 11,602                      |
| <b>Total</b>                       |       | <b>116,021</b>             | <b>-</b>                 | <b>116,021</b>              | <b>103,475</b>              |
| Net gains/(losses) on investments  |       | 20,969                     | -                        | 20,969                      | (190,409)                   |
| <b>NET INCOME/(EXPENDITURE)</b>    |       | <b>(8,706)</b>             | <b>-</b>                 | <b>(8,706)</b>              | <b>(237,254)</b>            |
| <b>RECONCILIATION OF FUNDS</b>     |       |                            |                          |                             |                             |
| Total funds brought forward        |       | 1,506,786                  | 28,921                   | 1,535,707                   | 1,772,961                   |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b>1,498,080</b>           | <b>28,921</b>            | <b>1,527,001</b>            | <b>1,535,707</b>            |

### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

# The John Charnley Trust

## Balance Sheet

30 June 2023

|  | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2023<br>Total<br>funds<br>£ | 2022<br>Total<br>funds<br>£ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>FIXED ASSETS</b>                          |       |                            |                          |                             |                             |
| Investments                                  | 13    | <b>1,410,504</b>           | -                        | <b>1,410,504</b>            | 1,419,212                   |
| <b>CURRENT ASSETS</b>                        |       |                            |                          |                             |                             |
| Debtors                                      | 14    | <b>2,430</b>               | -                        | <b>2,430</b>                | 8,025                       |
| Cash at bank                                 |       | <b>103,633</b>             | <b>28,921</b>            | <b>132,554</b>              | 131,285                     |
|  |       | <b>106,063</b>             | <b>28,921</b>            | <b>134,984</b>              | 139,310                     |
| <b>CREDITORS</b>                             |       |                            |                          |                             |                             |
| Amounts falling due within one year          | 15    | <b>(18,487)</b>            | -                        | <b>(18,487)</b>             | (22,815)                    |
| <b>NET CURRENT ASSETS</b>                    |       |                            |                          |                             |                             |
|  |       | <b>87,576</b>              | <b>28,921</b>            | <b>116,497</b>              | 116,495                     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                            |                          |                             |                             |
|  |       | <b>1,498,080</b>           | <b>28,921</b>            | <b>1,527,001</b>            | 1,535,707                   |
| <b>NET ASSETS</b>                            |       |                            |                          |                             |                             |
|  |       | <b>1,498,080</b>           | <b>28,921</b>            | <b>1,527,001</b>            | 1,535,707                   |
| <b>FUNDS</b>                                 |       |                            |                          |                             |                             |
|  | 16    |                            |                          | <b>1,498,080</b>            | 1,506,786                   |
| Unrestricted funds                           |       |                            |                          | <b>28,921</b>               | 28,921                      |
| Restricted funds                             |       |                            |                          |                             |                             |
| <b>TOTAL FUNDS</b>                           |       |                            |                          |                             |                             |
|  |       |                            |                          | <b>1,527,001</b>            | 1,535,707                   |

The financial statements were approved by the Board of Trustees and authorised for issue on 13 March 2024 and were signed on its behalf by:

ML Porter FRCS - Trustee

# The John Charnley Trust

## Notes to the Financial Statements

for the year ended 30 June 2023

### 1. GENERAL INFORMATION

The charity is a registered charity in England and Wales and is unincorporated. The address of the registered office and principal office is 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA.

The presentational currency of the financial statements is the Pound Sterling (£). The amounts in the financial statements have been rounded to the nearest £1.

### 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, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (issued October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (effective from January 2019).

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements cover the Charity as an individual entity.

There are no material uncertainties about the Charity's ability to continue as a going concern. The balance of funds as at 30 June 2023 was £1,527,001, a decrease of £8,706 in the financial year.

#### Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

#### 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.

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 2. ACCOUNTING POLICIES - continued

#### Expenditure

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.

Governance costs comprise amounts for the running of the charity itself as an organisation.

#### Taxation

The charity is exempt from tax on its charitable activities.

#### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

#### Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

### 3. DONATIONS AND LEGACIES

|                           | 2023         | 2022       |
|---------------------------|--------------|------------|
|                           | £            | £          |
| Other donations and gifts | <u>1,280</u> | <u>318</u> |

### 4. INVESTMENT INCOME

|                    | 2023          | 2022          |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Dividends received | 28,318        | 24,941        |
| Interest received  | 468           | 11            |
|                    | <u>28,786</u> | <u>24,952</u> |

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 5. INCOME FROM CHARITABLE ACTIVITIES

|                          | Activity  | 2023<br>£     | 2022<br>£     |
|--------------------------|-----------|---------------|---------------|
| Training & course income | Training  | -             | 300           |
| Training & course income | Education | 55,180        | 29,898        |
| Sale of books            | Education | 1,100         | 1,162         |
|                          |           | <u>56,280</u> | <u>31,360</u> |

### 6. RAISING FUNDS

#### Raising donations and legacies

|                          | 2023<br>£     | 2022<br>£     |
|--------------------------|---------------|---------------|
| Investment managers' fee | 10,755        | 14,597        |
|                          | <u>10,755</u> | <u>14,597</u> |

### 7. CHARITABLE ACTIVITIES COSTS

|                  | Direct<br>Costs<br>£ | Grant<br>funding of<br>activities<br>(see note<br>8)<br>£ | Totals<br>£   |
|------------------|----------------------|---|---------------|
| Grants           | -                    | 60,186  | 60,186        |
| Memorial Lecture | 612                  | -   | 612           |
| Education        | 24,568               | 2,900   | 27,468        |
|                  | <u>25,180</u>        | <u>63,086</u>   | <u>88,266</u> |

### 8. GRANTS PAYABLE

|           | 2023<br>£     | 2022<br>£     |
|-----------|---------------|---------------|
| Grants    | 60,186        | 70,981        |
| Education | 2,900         | -             |
|           | <u>63,086</u> | <u>70,981</u> |

The total grants paid to institutions during the year was as follows:

|  | 2023<br>£     | 2022<br>£     |
|--|---------------|---------------|
| Wrightington Wigan and Leigh NHS Trust | 43,465        | 44,381        |
| British Hip Society                    | -             | 10,000        |
| WWL - Origin Study                     | 4,200         | 5,600         |
|  | <u>47,665</u> | <u>59,981</u> |

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

|                                      | <b>2023</b>          | 2022          |
|--------------------------------------|----------------------|---------------|
|                                      | £                    | £             |
| S M Graham                           | <b>8,000</b>         | 6,000         |
| Z Ahmand - Charnley Latta Fellowship | <b>4,521</b>         | 5,000         |
| C Welton - Future Leaders            | <b>2,900</b>         | -             |
|                                      | <u><b>15,421</b></u> | <u>11,000</u> |

### 9. SUPPORT COSTS

|                          | Information<br>technology<br>£ | Governance<br>costs<br>£ | Totals<br>£   |
|--------------------------|--------------------------------|--------------------------|---------------|
| Other resources expended | <b>6,162</b>                   | <b>10,838</b>            | <b>17,000</b> |

#### Governance costs

|                                  | <b>2023</b>   | 2022          |
|----------------------------------|---------------|---------------|
|                                  | £             | £             |
| Auditors remuneration            | 2,500         | 3,000         |
| Postage and stationery           | 197           | 12            |
| Secretarial and support services | 7,650         | 8,590         |
| Paypal fees                      | 491           | -             |
|                                  | <u>10,838</u> | <u>11,602</u> |

### 10. AUDITORS' REMUNERATION

|  | <b>2023</b>  | 2022  |
|--|--------------|-------|
|  | £            | £     |
| Fees payable to the charity's auditors for the audit of the charity's financial statements | <b>2,500</b> | 3,000 |

### 11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

#### Trustees' expenses

Trustees' expenses amounting to £Nil (2022: £243) were reimbursed in the year. The expenses in the prior year were paid to two trustees. One trustee was reimbursed for computer software licences and another trustee was reimbursed for mileage expenses.

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

|                                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£     |
|------------------------------------|----------------------------|--------------------------|-------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |                            |                          |                         |
| Donations and legacies             | 318                        | -                        | 318                     |
| <b>Charitable activities</b>       |                            |                          |                         |
| Training                           | 300                        | -                        | 300                     |
| Education                          | 31,060                     | -                        | 31,060                  |
| Investment income                  | 24,952                     | -                        | 24,952                  |
| <b>Total</b>                       | <u>56,630</u>              | <u>-</u>                 | <u>56,630</u>           |
| <b>EXPENDITURE ON</b>              |                            |                          |                         |
| Raising funds                      | 14,597                     | -                        | 14,597                  |
| <b>Charitable activities</b>       |                            |                          |                         |
| Grants                             | 70,981                     | -                        | 70,981                  |
| Training                           | 2,744                      | -                        | 2,744                   |
| Gold Medal Day                     | 1,004                      | -                        | 1,004                   |
| Education                          | 2,547                      | -                        | 2,547                   |
| Other                              | 11,602                     | -                        | 11,602                  |
| <b>Total</b>                       | <u>103,475</u>             | <u>-</u>                 | <u>103,475</u>          |
| Net gains/(losses) on investments  | <u>(190,409)</u>           | <u>-</u>                 | <u>(190,409)</u>        |
| <b>NET INCOME/(EXPENDITURE)</b>    | <b>(237,254)</b>           | <b>-</b>                 | <b>(237,254)</b>        |
| <b>RECONCILIATION OF FUNDS</b>     |                            |                          |                         |
| Total funds brought forward        | 1,744,040                  | 28,921                   | 1,772,961               |
| <b>TOTAL FUNDS CARRIED FORWARD</b> | <u><u>1,506,786</u></u>    | <u><u>28,921</u></u>     | <u><u>1,535,707</u></u> |

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 13. FIXED ASSET INVESTMENTS

|                       | Listed<br>investments<br>£ |
|-----------------------|----------------------------|
| <b>MARKET VALUE</b>   |                            |
| At 1 July 2022        | <b>1,419,212</b>           |
| Additions             | <b>246,229</b>             |
| Disposals             | <b>(264,280)</b>           |
| Revaluations          | <b>9,343</b>               |
|                       | <hr/>                      |
| At 30 June 2023       | <b>1,410,504</b>           |
|                       | <hr/>                      |
| <b>NET BOOK VALUE</b> |                            |
| At 30 June 2023       | <b>1,410,504</b>           |
|                       | <hr/> <hr/>                |
| At 30 June 2022       | <b>1,419,212</b>           |
|                       | <hr/> <hr/>                |

The market value of investments at the end of the year is analysed as follows:

|                                       | 2023<br>£   | 2022<br>£   |
|---------------------------------------|-------------|-------------|
| UK Investments:                       |             |             |
| Corporate bonds and preference shares | 453,250     | 458,920     |
| Ordinary shares                       | 328,687     | 345,924     |
|                                       | <hr/>       | <hr/>       |
|                                       | 781,938     | 804,844     |
| Overseas investments:                 |             |             |
| Investment/Unit Trusts                | 628,567     | 614,368     |
|                                       | <hr/>       | <hr/>       |
|                                       | 1,410,504   | 1,419,212   |
|                                       | <hr/> <hr/> | <hr/> <hr/> |
| <br>                                  |             |             |
| Historical cost at end of year        | <hr/> <hr/> | <hr/> <hr/> |
|                                       | 1,286,446   | 1,352,382   |

### 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|               | 2023<br>£    | 2022<br>£   |
|---------------|--------------|-------------|
| Trade debtors | <b>2,430</b> | 1,350       |
| VAT           | -            | 3,239       |
| Prepayments   | -            | 3,436       |
|               | <hr/>        | <hr/>       |
|               | <b>2,430</b> | 8,025       |
|               | <hr/> <hr/>  | <hr/> <hr/> |

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2023<br>£     | 2022<br>£     |
|------------------------------|---------------|---------------|
| VAT                          | 4,599         | -             |
| Accruals and deferred income | 4,800         | 12,900        |
| Grants payable               | 9,088         | 9,915         |
|                              | <u>18,487</u> | <u>22,815</u> |

### 16. MOVEMENT IN FUNDS

|                                  | At 1/7/22<br>£   | Net<br>movement<br>in funds<br>£ | At<br>30/6/23<br>£ |
|----------------------------------|------------------|----------------------------------|--------------------|
| <b>Unrestricted funds</b>        |                  |                                  |                    |
| General fund                     | 1,487,773        | (5,312)                          | 1,482,461          |
| Charnley Latta Fellowship        | 19,013           | (3,394)                          | 15,619             |
|                                  | <u>1,506,786</u> | <u>(8,706)</u>                   | <u>1,498,080</u>   |
| <b>Restricted funds</b>          |                  |                                  |                    |
| Wrightington Upper Limb Research | 28,921           | -                                | 28,921             |
|                                  | <u>28,921</u>    | <u>-</u>                         | <u>28,921</u>      |
| <b>TOTAL FUNDS</b>               | <u>1,535,707</u> | <u>(8,706)</u>                   | <u>1,527,001</u>   |

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 85,242                     | (111,500)                  | 20,946                   | (5,312)                   |
| Charnley Latta Fellowship | 1,104                      | (4,521)                    | 23                       | (3,394)                   |
|                           | <u>86,346</u>              | <u>(116,021)</u>           | <u>20,969</u>            | <u>(8,706)</u>            |
| <b>TOTAL FUNDS</b>        | <u>86,346</u>              | <u>(116,021)</u>           | <u>20,969</u>            | <u>(8,706)</u>            |

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 16. MOVEMENT IN FUNDS - continued

#### Comparatives for movement in funds

|                                  | At 1/7/21<br>£   | Net<br>movement<br>in funds<br>£ | At<br>30/6/22<br>£ |
|----------------------------------|------------------|----------------------------------|--------------------|
| <b>Unrestricted funds</b>        |                  |                                  |                    |
| General fund                     | 1,717,329        | (229,556)                        | 1,487,773          |
| Charnley Latta Fellowship        | 26,711           | (7,698)                          | 19,013             |
|                                  | <u>1,744,040</u> | <u>(237,254)</u>                 | <u>1,506,786</u>   |
| <b>Restricted funds</b>          |                  |                                  |                    |
| Wrightington Upper Limb Research | 28,921           | -                                | 28,921             |
|                                  | <u>1,772,961</u> | <u>(237,254)</u>                 | <u>1,535,707</u>   |
| <b>TOTAL FUNDS</b>               |                  |                                  |                    |

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 56,630                     | (98,475)                   | (187,711)                | (229,556)                 |
| Charnley Latta Fellowship | -                          | (5,000)                    | (2,698)                  | (7,698)                   |
|                           | <u>56,630</u>              | <u>(103,475)</u>           | <u>(190,409)</u>         | <u>(237,254)</u>          |
| <b>TOTAL FUNDS</b>        | <u>56,630</u>              | <u>(103,475)</u>           | <u>(190,409)</u>         | <u>(237,254)</u>          |

The Wrightington Upper Limb Research fund is a restricted fund and the future planned use of this fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery.

The Charnley Latta Fellowship fund is a designated fund and the future planned use of this fund is for the promotion of research, education and training for or into reconstructive hip and knee surgery.

### 17. RELATED PARTY DISCLOSURES

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs, including Mr H Wynn Jones.

During the year payments amounting to £6,768 (2022: £6,552) have been made in respect of services provided by Mr H Wynn Jones.

# The John Charnley Trust

## Notes to the Financial Statements - continued for the year ended 30 June 2023

### 18. COMMITMENTS

At 30 June 2023, the Trustees have approved the following grants to be paid in future years:

|  | <b>2023</b>          | 2022          |
|--|----------------------|---------------|
|  | <b>£</b>             | £             |
| Wrightington Wigan and Leigh NHS Trust | <b><u>42,750</u></b> | <u>29,746</u> |

There are no performance conditions for the grant to be paid, and the expenditure will be incurred in the nine month period from the year end to 31 March 2024.

|            | <b>2023</b>         | 2022         |
|------------|---------------------|--------------|
|            | <b>£</b>            | £            |
| S M Graham | <b><u>8,000</u></b> | <u>8,000</u> |

There are no performance conditions for the grant to be paid and the expenditure will be incurred in the 12 month period from the year end to 30 June 2024.