

The John Charnley Trust
Report of the Trustees and
Audited Financial Statements
for the Year Ended 30 June 2024

The John Charnley Trust

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The John Charnley Trust

Report of the Trustees for the year ended 30 June 2024

The trustees present their report with the financial statements of the charity for the year ended 30 June 2024.

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.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

OBJECTIVES AND ACTIVITIES

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 Derek Bennett in February 2024 at the BOA in Belfast.

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
K Malik-Tabassum	The Charnley Latta Travelling Scholarship
M Clark	The Charnley Latta Travelling Scholarship
S Madanipour	The Charnley Latta Travelling Scholarship
M Zeiton	The Charnley Latta Travelling Scholarship
Z Hamoodi	MD Studies
M Hague	The Charnley Latta Travelling Scholarship
H Magill	The Charnley Latta Travelling Scholarship
J Barrow	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 2024

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 2024

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £Nil (2023: £1,280) and a legacy of £10,000 (2023: £Nil).

Education and Courses.

Courses held in 2023 and 2024 include:

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

Northwest Deanery Teaching was held on 13th October 2023 and organised by Chris Whelton.

The Northwest Periprosthetic Fracture Course was held on 22nd and 23rd November 2023 and organised by Henry Wynn Jones and Sunil Panchani.

VELYS Robotic-Assisted Solution Sawbone Workshop was held on 28th November 2023 and organised by Henry Wynn Jones.

The BHS Forum held in Glasgow was organised with Satish Kutty on 15th and 16th January 2024.

The Low Friction Society dinner was organised at the British Hip Society in Belfast by Chris Whelton on 29th February 2024.

The Northwest Regional Revision Knee Audit Meeting was held on 15th March 2024 in Manchester and organised by Anil Gambhir.

The Acetabular Revision Masterclass was held on 26th March 2024 organised by Henry Wynn Jones and Sunil Panchani.

The John Charnley Gold Medal Research Day was held in the Wrightington Conference Centre on 28th June 2024 organised by Henry Wynn Jones and Sunil Panchani.

The American Hip Society/ British Hip Society Travelling Fellows spent two days visiting Wrightington in September 2024 organised by Anil Gambhir.

BHS Principles of Hip Arthroplasty for ST3/4, organised by Chris Whelton, was held on 11th October 2024.

The Wrightington International Arthroplasty Meeting was held at Old Trafford Cricket Club on the 11th and 12th November 2024. This was a major international meeting with speakers from Europe and USA with video link organised by Henry Wynn Jones and Sunil Panchani.

Courses planned for 2025 include:

Lower Limb FRCS Viva Courses will be held in January, March, September 2025

BHS Hip Forum to be held at Wrightington on the 13th and 14th January 2025

Casting Course to be held in February 2025

Acetabular Revision Masterclass will be held on Friday 21st March 2025

John Charnley Gold Medal Research Day in June 2025

Northwest Deanery Teaching to be held in October

BHS Principles of Hip Arthroplasty for ST3/4 to be held in October 2025

Visitations/Electives

There have been many visitations/electives through 2023 and 2024 with further planned for 2025.

Research

Lower limb research activity has continued to progress.

In 2024 we published 7 papers on research relating to hip and knee arthroplasty, biomechanics and data analysis. Some highlights include output on wound closure in hip and knee arthroplasty, assessment of modern surgical helmets and influence of surgeon volume on outcome of revision hip replacement

Progress with a number of clinical studies is summarised below:

1. HAPI - NIHR portfolio. Completed recruitment and surgeries. In patient follow-up stage
2. ORIGIN - JCT/ Symbios joint funded. Recruitment finished and data capture complete. Data analysis ongoing.
3. RESULT-Hip - NIHR portfolio study in hip fracture surgery. Recruiting from Acute trauma site. Hiren Divecha has supported/ mentored the research development of an allied healthcare professional through the NIHR Associate PI Scheme (Amy Atkinson, Orthogeriatric Practitioner).

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

4. HIPPY trial - NIHR portfolio trial. We received the green light for this study just recently and the first patient underwent surgery in early December 2024. This is a 3 arm RCT of cemented vs uncemented vs hybrid fixation in THR and requires over 7,000 patients. It has a 10 year follow up period and will be the largest trial ever completed in THR.

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

We continue to support the Registrars and Fellows in their projects, running regular meetings (now face to face) 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 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. The first application on this project was rejected but following positive feedback we have widened the team and rewritten the application. This will be submitted in January 2025. Following successful presentation of our experience of paediatric hip arthroplasty at the International Hip Society meeting we have submitted this work for publication. We are now working up a proposal to RfPB NIHR for a qualitative and health economic study on the impact of hip replacement in the paediatric population.

Investment performance

2024 proved to be a strong year for asset returns, with economic growth consistently surprising to the upside and many central banks beginning to walk interest rates down from the highs of late 2023. The US led the way, with the S&P500 index returning 25% over the year. Notably the lion's share of this performance was provided by the 'Magnificent 7' stocks, which were up 67% over the year.

Despite strong headline figures from several of the main global indices, 2024 was not as smooth as the figures might suggest. Rate cuts in the US, UK and Europe, whilst welcome, came far more reluctantly than many had hoped and indeed forecast at the outset of the year. Politically there were also a number of potential stumbling blocks, with significant elections in the UK and US, and the collapse of a French Government in early December followed closely by the collapse of the German government a couple of weeks later.

Slightly further back, there was a sharp global market sell off in August, triggered by weak economic data from the US coinciding with an unexpected interest rate hike from the Bank of Japan. This turmoil fortunately proved to be short lived.

It is likely however that 2024 will be remembered more for the global equity rally which followed Donald Trump's US election victory in November. The S&P500 recorded it's best month of the year, up 5.9%, and the Russell 2000 index of small cap US equities returned 11%. This momentum persisted for much of the latter part of the year, though notably a hawkish pivot by the FED in December dampened enthusiasm somewhat. The FED expects to make interest rate cuts amounting to 50 basis points over the course of 2025, significantly lower than previous forecasts. This news, coupled with fears surrounding the potential ramifications of the many tariffs Donald Trump has so far suggested, may prove to be a setback to global markets as they enter a new year.

In terms of top performers, a number of the UK stocks have performed strongly, namely Keyword and DS Smith which were bid for. US equities also positively contributed together with Tech which saw strong returns over the past year, with no significant contributors.

Performance versus ARC continues to be strong, with 2023 returns slightly ahead of the benchmark whilst 2024 has been slightly behind. Long term performance in absolute and relative terms continues to be positive, with the portfolio returning 120.58% since October 2011 (after fees and charges), ahead of the ARC Sterling Steady Growth benchmark up 117.17%.

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.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

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.

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 some £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 some £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 2024 were £1,590,236. The Charley Latta Fellowship Fund completed during the year.

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 2024 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 lead 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.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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 2024

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 4 April 2025 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 2024 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 2024 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. 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

7 April 2025

The John Charnley Trust

Statement of Financial Activities for the year ended 30 June 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	10,000	-	10,000	1,280
Charitable activities					
Education	5	44,752	-	44,752	56,280
Investment income	4	28,512	-	28,512	28,786
Total		83,264	-	83,264	86,346
EXPENDITURE ON					
Raising funds	6	13,500	-	13,500	10,755
Charitable activities					
Grants	7	82,467	-	82,467	60,186
Memorial Lecture		57	-	57	612
Education		32,596	-	32,596	27,468
Other		17,019	-	17,019	17,000
Total		145,639	-	145,639	116,021
Net gains on investments		154,531	-	154,531	20,969
NET INCOME/(EXPENDITURE)		92,156	-	92,156	(8,706)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,498,080	28,921	1,527,001	1,535,707
TOTAL FUNDS CARRIED FORWARD		1,590,236	28,921	1,619,157	1,527,001

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The John Charnley Trust

Balance Sheet 30 June 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Investments	13	1,560,436	-	1,560,436	1,410,504
CURRENT ASSETS					
Debtors	14	4,480	-	4,480	2,430
Cash at bank		65,727	28,921	94,648	132,554
		70,207	28,921	99,128	134,984
CREDITORS					
Amounts falling due within one year	15	(40,407)	-	(40,407)	(18,487)
NET CURRENT ASSETS					
		29,800	28,921	58,721	116,497
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,590,236	28,921	1,619,157	1,527,001
NET ASSETS					
		1,590,236	28,921	1,619,157	1,527,001
FUNDS					
Unrestricted funds	16			1,590,236	1,498,080
Restricted funds				28,921	28,921
TOTAL FUNDS					
				1,619,157	1,527,001

The financial statements were approved by the Board of Trustees and authorised for issue on 4 April 2025 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 2024

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 2024 was £1,619,157, an increase of £92,156 in the financial year.

The Trustees concluded that the financial statements give a true and fair view.

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 2024

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

	2024	2023
	£	£
Other donations and gifts	-	1,280
Legacies	10,000	-
	10,000	1,280

4. INVESTMENT INCOME

	2024	2023
	£	£
Dividends received	28,035	28,318
Interest received	477	468
	28,512	28,786

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

5. INCOME FROM CHARITABLE ACTIVITIES

		2024	2023
	Activity	£	£
Training & course income	Education	43,682	55,180
Sale of books	Education	1,070	1,100
		<u>44,752</u>	<u>56,280</u>

6. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Investment managers' fee	13,500	10,755
	<u>13,500</u>	<u>10,755</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 8) £	Totals £
Grants	-	82,467	82,467
Memorial Lecture	57	-	57
Education	25,156	7,440	32,596
	<u>25,213</u>	<u>89,907</u>	<u>115,120</u>

8. GRANTS PAYABLE

	2024	2023
	£	£
Grants	82,467	60,186
Education	7,440	2,900
	<u>89,907</u>	<u>63,086</u>

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

	2024	2023
	£	£
WWL - Origin Study	2,800	4,200
WWL - Education and courses	26,925	17,696
WWL - Training	12,704	12,009
WWL - Research	14,204	13,760
	<u>56,633</u>	<u>47,665</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

8. GRANTS PAYABLE - continued

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

	2024	2023
	£	£
S M Graham	8,000	8,000
Z Ahmand - Charnley Latta Travelling Scholarship	-	4,521
C Whelton - Future Leaders	-	2,900
K Malik-Tabassum - Charnley Latta Travelling Scholarship	2,000	-
M Clark - Charnley Latta Travelling Scholarship	728	-
S Madanipour - Charnley Latta Travelling Scholarship	3,750	-
M Zeiton - Charnley Latta Travelling Scholarship	6,800	-
Z Hamoodi - MD Studies	4,611	-
M Hague - Charnley Latta Travelling Scholarship	2,000	-
H Magill - Charnley Latta Travelling Scholarship	1,665	-
J Barrow - Future Leaders	3,720	-
	<u>33,274</u>	<u>15,421</u>

9. SUPPORT COSTS

	Information technology £	Governance costs £	Totals £
Other resources expended	<u>208</u>	<u>16,811</u>	<u>17,019</u>
Governance costs		2024	2023
		£	£
Auditors remuneration		4,800	2,500
Postage and stationery		159	197
Secretarial and support services		11,334	7,650
Paypal fees		518	491
		<u>16,811</u>	<u>10,838</u>

10. AUDITORS' REMUNERATION

	2024	2023
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>4,800</u>	<u>2,500</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2024 nor for the year ended 30 June 2023.

Trustees' expenses

Trustees' expenses amounting to £Nil (2023: £Nil) were reimbursed in the year.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,280	-	1,280
Charitable activities			
Education	56,280	-	56,280
Investment income	28,786	-	28,786
Total	<u>86,346</u>	<u>-</u>	<u>86,346</u>
EXPENDITURE ON			
Raising funds	10,755	-	10,755
Charitable activities			
Grants	60,186	-	60,186
Memorial Lecture	612	-	612
Education	27,468	-	27,468
Other	17,000	-	17,000
Total	<u>116,021</u>	<u>-</u>	<u>116,021</u>
Net gains on investments	<u>20,969</u>	<u>-</u>	<u>20,969</u>
NET INCOME/(EXPENDITURE)	<u>(8,706)</u>	<u>-</u>	<u>(8,706)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	1,506,786	28,921	1,535,707
TOTAL FUNDS CARRIED FORWARD	<u><u>1,498,080</u></u>	<u><u>28,921</u></u>	<u><u>1,527,001</u></u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2023	1,410,504
Additions	223,111
Disposals	(217,490)
Revaluations	144,311
	<hr/>
At 30 June 2024	1,560,436
	<hr/>
NET BOOK VALUE	
At 30 June 2024	1,560,436
	<hr/> <hr/>
At 30 June 2023	1,410,504
	<hr/> <hr/>

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

	2024 £	2023 £
UK Investments:		
Corporate bonds and preference shares	492,774	453,250
Ordinary shares	344,838	328,687
	<hr/>	<hr/>
	837,612	781,938
Overseas investments:		
Investment/Unit Trusts	722,824	628,567
	<hr/>	<hr/>
	1,560,436	1,410,504
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at end of year	<hr/> <hr/>	<hr/> <hr/>
	1,279,379	1,286,446

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	4,480	2,430
	<hr/> <hr/>	<hr/> <hr/>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other creditors	-	4,599
Accruals and deferred income	23,356	4,800
Grants payable	17,051	9,088
	<u>40,407</u>	<u>18,487</u>

16. MOVEMENT IN FUNDS

	At 1/7/23	Net movement in funds	At 30/6/24
	£	£	£
Unrestricted funds			
General fund	1,482,461	107,775	1,590,236
Charnley Latta Fellowship	15,619	(15,619)	-
	<u>1,498,080</u>	<u>92,156</u>	<u>1,590,236</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>1,527,001</u>	<u>92,156</u>	<u>1,619,157</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	83,264	(124,085)	148,596	107,775
Charnley Latta Fellowship	-	(21,554)	5,935	(15,619)
	<u>83,264</u>	<u>(145,639)</u>	<u>154,531</u>	<u>92,156</u>
TOTAL FUNDS	<u>83,264</u>	<u>(145,639)</u>	<u>154,531</u>	<u>92,156</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/7/22 £	Net movement in funds £	At 30/6/23 £
Unrestricted funds			
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>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>1,535,707</u>	<u>(8,706)</u>	<u>1,527,001</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
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>
TOTAL FUNDS	<u>86,346</u>	<u>(116,021)</u>	<u>20,969</u>	<u>(8,706)</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. The fund completed during the year.

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 £6,933 (2023: £6,768) 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 2024

18. COMMITMENTS

At 30 June 2024, the Trustees have approved the following grants to be paid in future years:

	2024	2023
	£	£
Wrightington Wigan and Leigh NHS Trust	43,410	42,750

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 2025.

	2024	2023
	£	£
S M Graham	-	8,000

There are no further amounts due to S M Graham.