

Orthopaedic
Research UK



Let's

advance

Annual Report
and Accounts
2022-23

Contents Page

Charity Reference and Administrative Details	3
Messages from our Chair and Chief Executive	4- 5
Report of the Trustees	7 - 14
Independent Auditor's Report	15 – 17
Statement of Financial Activities (including an Income and Expenditure Account) current period	18
Statement of Financial Activities (including an Income and Expenditure Account) comparative	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 42



Orthopaedic Research UK

Reference and Administrative Details for the Year Ended 31 March 2023



Charity registration number	1111657
Company registration number	5585452
Trustees	Dr C J Ball Ms J Chong (appointed 26.5.23) Mr A H Downing (Chair) Mr M Gouldstone Mrs S Harkness Mr P E Harrison (resigned 27.6.23) Professor N Rushton Professor M Santin (resigned 22.2.23) Mr J K Tucker
CEO/CFO ORUK leadership team	Dr A Angadji / Mrs C Barnard Mrs D Palmer (Executive Officer) Miss R Threadgold (Head of Education and Events)
Registered office	Furlong House 10a Chandos Street London W1G 9DQ
Principal place of operations	Furlong House 10a Chandos Street London W1G 9DQ
Auditor	Sayer Vincent Chartered Accountants & Statutory Auditors 108-114 Golden Lane London EC1Y 0TL
Solicitor	Weightmans 105 Fenchurch Street London EC3M 5JG
Bankers	National Westminster Bank plc 10 Marylebone High Street London W1U 4BT
Investment managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Rathbone Brothers Plc 8 Finsbury Circus, London EC2M 7AZ

Message from our Chair

The focus of any charity should be on its benefit to society. Our aim is to make a difference over the short, medium, and longer term. The societal benefit from our research investments can be typically measured over the longer term, and we will continue to be one of the most significant funders of orthopaedic and MSK research in the UK.

However, at a time of unprecedented demand we must also invest in areas capable of delivering a more immediate impact. This means strengthening our network of like-minded individuals, organisations, and partners, and increasing our investments in education and start-ups.

We have come to realise that our network and our skills as networkers can make a real difference to the ways in which MSK care is researched and funded. When we connect people with great ideas, with funders and delivery partners, we accelerate the adoption of those ideas. When we organise conferences to debate important topics within MSK health, we quickly share knowledge, highlight needs, and connect stakeholders.

This approach allows us to generate a significant amount of impact despite our relatively small size. The success of our AI in Orthopaedics initiative, which has attracted new investment from government, research charities and the world's largest technology businesses, demonstrates the reach and power of our network. I expect the impact from our MSK for the Workplace initiative – given the potential benefits for people, government, employers, and society in terms of improved mental health and national productivity and prosperity – to be even more significant. Our role is to facilitate, connect and enable.

Our educational offer has also broadened over the past few years to embrace a wider range of healthcare professionals, including primary care and allied healthcare professionals. We have more than doubled the number of courses we offer. Every time an individual applies their learning from one of our courses to patients, it means we have delivered an immediate impact to many people in need and a benefit to society.

The widening of our focus as a charity has required us to expand our specialist skillsets. I would like to thank our Trustees for dedicating their time, energy, and expertise to support our executive team. I would also like to express my gratitude to Professor Matteo Santin and Peter Harrison for their dedicated service as Trustees during their terms, and extend a warm welcome to Jenny Chong, who we are thrilled to have join our Board of Trustees.

This is an exciting time for ORUK. The challenges we collectively face in the MSK sector are enormous, but we continue to demonstrate that a small charity with a clear strategy can make a big difference.

Adrian Downing,
Chair of the Board of Trustees



Message from our Chief Executive

The last 12 months has seen a significant acceleration in the delivery of our long-term strategy.

We have in place a broad range of partnerships with academic institutions, charities, entrepreneurs, and major corporations. In addition we have received over half a million pounds from the Medical Research Council to support early career researchers, successfully embedded ESCAPE-pain and launched three significant initiatives on the application of AI to orthopaedics, sustainability and MSK Health for the Workplace.

Our AI in Orthopaedics conference, in association with the Royal College of Surgeons of England and British Orthopaedic Association, was the first national conference dedicated to the role of AI and big data within orthopaedics. It provided an important opportunity to highlight barriers impeding the application of AI, including access to high quality data. We have subsequently secured commitments from Microsoft to fund an AI training programme for surgeons and allied health professionals, and from the National Institute for Health and Care Research (NIHR) to highlight the importance of AI research for MSK health in its Invention for Innovation (i4i) programme. Our partnership with Versus Arthritis, focusing on the application of AI to MSK, will start accepting applications imminently.

We have initiated an MSK Health for the Workplace programme, in association with the Arthritis and Musculoskeletal Alliance. This will focus on improving the MSK health of the working age population at a time when more than 2.5 million people are currently unemployed in the UK due to health-related issues, including back and neck pain. The programme will include research, funding for innovation, policy papers, educational programmes, and events.

Other important initiatives during the past 12 months have included partnerships with the British Orthopaedic Medical Students Association (BOMSA) and British Orthopaedic Trainees Association (BOTA) focused on the next generation of orthopaedic specialists and medical researchers, plus an additional partnership with BOTA on sustainability in orthopaedics. AI, sustainability, and workplace health are likely to become our three most important activity strands during the next 12 months.

We have also formed a new partnership with Imperial College London to help Early Career Researchers translate their innovative ideas into real benefits for patients through an intensive part-time venture building training programme specifically for MSK projects.

Poor MSK health is a multi-dimensional, multi-generational problem that has a profound impact on individuals, workplaces, and our health system. We see the purpose of our charity as mobilising the whole MSK community to keep pushing at research boundaries, encouraging innovation, and helping to educate the next generation of healthcare professionals.

We are particularly grateful to our partners within leading institutions including the National Institute for Health and Care Research (NIHR), Royal College of Surgeons of England, the British Hip Society, Royal College of Surgeons of Edinburgh, British Orthopaedic Association, British Association for Surgery of the Knee (BASK), National Joint Registry (NJR), British Scoliosis Society (BSS), British Association of Spine Surgeons (BASS) and the Daphne Jackson Trust. Together we are making a difference.

Dr Arash Angadji,
Chief Executive



Our impact at a glance

(key performance indicators 2022/23)

Research

11

new projects
funded

£651k

invested

£507k

co-funding secured
from Medical
Research Council

£145k

co-funding
secured from other
partners

Education

99

events

4,211

people educated

£439k

income generated
(including
ESCAPE-pain)

Introduction



to 11 research projects worth £776,038 in 2021/22.

Along with other organisations involved in funding medical research, we have noted a reduction in the number of applications. We are part of a working group investigating the reasons for this decline, which may reflect current workload pressures within the health system.

We publish the results of our research at the end of the studies to demonstrate the impact of our funding. Our measures for success are:

- Increased awareness of our research among professionals and patients.
- The nurturing of talent within the field of MSK medicine.
- The recruitment of advocates for our research within the broader MSK community.
- Securing co-funding from partners for our research projects.
- Translation of research results into measurable benefits for patients and the NHS.

Our most significant co-funded project was an award of £507,701 from the Medical Research Council. In addition, we attracted £145,843 from our other partners to co-fund research during 2022-23.

We have started using Researchfish to capture the outputs and impacts of the research we fund. This is an online system developed specifically for collecting research outputs on behalf of funding organisations and is used by hundreds of research funders across the world. It provides us with vital information about the impact of the research we fund, ensuring we have a comprehensive picture of the outputs from our research portfolio.

To fund education, primarily through workshops, training courses, lectures, virtual conferences, and webinars that will improve knowledge of prevention, diagnosis, treatment and the management musculoskeletal conditions. Our ambition is to be

The trustees present their report and the audited accounts for the year ended 31 March 2023.

The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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). Information required to be disclosed under Schedule 7 of the Companies Act 2006 are disclosed within the Strategic Report, which starts on page 11.

Objectives and Activities

Our principal, and over-riding, objectives are to promote the advancement of orthopaedic research and education and, in particular, the encouragement of innovation and partnership to advance knowledge and awareness of bone, joint and muscle health in the UK. These are the objects as set out in our governing document. Our specific aims and significant activities to achieve those principal aims are outlined below, along with the activities undertaken to achieve them.

To fund high quality research and innovation at centres of excellence in the field of musculoskeletal (MSK) medicine to support bone, joint and muscle wellbeing in the following areas:

1. Diagnosis – understanding the pathogenesis (the origin or development) of MSK conditions.
2. Treatment – exploring strategies to tackle pre-existing MSK conditions (including assessment of their effectiveness) to improve the quality of a patient's life.

We funded 11 new research projects worth £651,797 in 2022/23, compared

the leading provider of continuous learning in MSK health in the UK and the first stop for MSK health education in the UK, starting with medical students.

During the past year we staged 99 events and in total we educated (including the ESCAPE-pain programme) 4,211 people with the support of 516 faculty members. On average, 94% of participants rated our events as 'excellent' or 'good' in terms of educational value. Income from events was £284,366 in 2022/23 compared to £219,231 in 2021/22, and from ESCAPE-pain training £95,263 in 2022/23 compared to £85,081 in 2021/22.

Our blended learning model – a mix of online and face-to-face tuition – has enabled us to expand the range of our offer and reach a more diverse audience, including healthcare professionals in developing markets where affordability can be an issue.

We are increasing the number of interdisciplinary events to encourage more collaborative working and are involved in initiatives to address recruitment shortfalls in orthopaedics and orthopaedic research through training partnerships with the British Orthopaedic Medical Students Association (BOMSA) and British Orthopaedic Trainees Association (BOTA). We are also working with BOTA in an initiative to promote sustainability in orthopaedics and with the Royal College of Podiatry on a webinar series.

Since joining ORUK in 2021, the ESCAPE-pain programme has achieved the following milestones:

- More than 250 sites are running the programme.
- More than 3,600 participants have gone through the programme and more than 850 trained to deliver the programme.
- The programme is estimated to have achieved savings of £4.5m for health and social care budgets.

In January 2023 it was announced

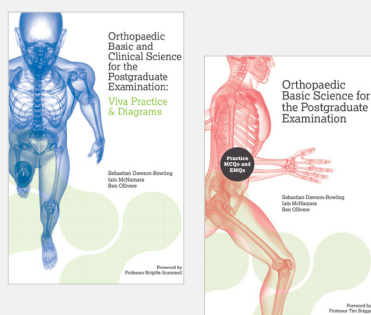
that a national pilot programme to transform leisure centres, swimming pools, and gyms into musculoskeletal (MSK) health hubs – designed and provided in collaboration between Good Boost, ukactive, Orthopaedic Research UK, ESCAPE-pain, and Arthritis Action – has been expanded to 100 sites across the UK. The pilot aims to show how the programme could reduce pressure on acute healthcare services in primary and secondary settings by managing conditions in community settings which are more easily accessible.

To provide information about our charitable activities to the general public through publishing and funding awards and prizes for outstanding publications and presentations in the field of MSK.

We have two books in publication which provide preparation aids for the FRCS (Orth) examinations and complement our basic science training courses. Sales to orthopaedic trainees of both publications form part of our fundraising strategy. They are available to buy online or at our course events. During the year we sold 62 books, a 20% decrease on the previous year, which is an expected result considering that the books were published some years ago. We are aiming to produce another educational product aimed at primary care professionals in 2023.

Orthopaedic Basic and Clinical Science for the Postgraduate Examination

by S.J. Dawson Bowling (Author), I.R. McNamara (Author), B.J. Ollivere (Author), T.W.R. Briggs and Brigitte Scammell (Forewords), A. Angadji (Editor).



Our three-year strategy

In addition to the over-arching objectives as outlined in the previous section, our operating decisions continue to be shaped by our 2020–2023 Strategy, which is built on 10 strategic initiatives:

1. Focus our investments on unmet patient needs and specifically on diagnosis and treatment – we do this by making funding available via The ORUK Inspiration Fund and The ORUK Early-career Research Fellowships which are designed to support innovative projects that meet unmet needs and help patients achieve a better quality of life. These are open to orthopaedic surgeons, scientists, and physiotherapists.

During the past 12 months we have continued to fund high quality applicants across a wide range of research areas from rare MSK conditions and orthopaedic components to advanced imaging and data analytics.

2. Extend the impact of our investments and attract additional funding for orthopaedic health by partnering with other sources of grant giving.

We partner with other organisations including the Royal College of Surgeons of England, the Royal College of Surgeons of Edinburgh, and the British Hip Society. By 'match-funding' we are able to support more of the MSK community than we would be able to do alone, and this funding is available via the **Joint Partnership Fund**. We have received over half a million pounds from the Medical Research Council to support early career researchers.

3. Broaden our remit beyond pure orthopaedics to include the important surrounding ecosystem of orthopaedic wellbeing, including physiotherapy.

We do this primarily through the delivery of the ESCAPE-pain programme, which:

- Broadens our focus beyond surgery to include education and research into the (non-surgical) management of MSK conditions – an essential requirement with surgical capacity unlikely to ever be sufficient to meet demand.
- Enables us to respond to capacity constraints within the system by opening-up new modes of delivery within a non-healthcare setting (community and leisure centres).
- Provides opportunities to collaborate with partners outside the health sector, such as Sport England, CIMSPA and private leisure operators, further growing the scale, reach and impact of our MSK community.
- Aligns us with government priorities. In his Spring Budget 2023, Jeremy Hunt, Chancellor of the Exchequer announced a commitment to ‘turn community hubs and leisure centres into MSK hubs which deliver evidence-based support for MSK conditions in England so more people can access treatment.’

Our educational programme has also been broadened to embrace primary care professionals, physiotherapists, and allied disciplines.

4. Build an influencer network across the orthopaedic ecosystem including clinicians, academics, GPs, physiotherapists, specialist medical member associations, entrepreneurs, and investors. One sign of the growth of our network is the doubling of our following on LinkedIn during the past 12 months.
5. Mobilise this influencer network to become a ‘movement’ that champions the importance of musculoskeletal health and the need for increased investment across the system.
6. Operate as a facilitator – connecting innovators with funders, academics with clinicians, and encouraging collaboration across the whole MSK community.

Our planned MSK Health for the Workplace initiative is a good example of how we intend to mobilise our community to focus on the MSK health needs of the working age population, at a time when 2.5 million people are currently unemployed in the UK due to health-related issues, including back and neck pain.

7. Invest in entrepreneurial people and organisations delivering

breakthrough innovations
– **The Ronald Furlong Fund**

is designed to support the development of innovative and commercially viable ideas from a UK-based start-up that solve the unmet needs of society around bone, joint and muscle well-being.

To date we have invested in three start-up companies from this fund – Renovos Biologics, which is pioneering the use of a nanoclay in an injectable gel form that can carry biologic drugs capable of augmenting bone tissue regeneration; Novara Therapeutics, a joint venture company in which we have partnered with investment company Embryo Ventures to commercialise the world’s first patented bio-specific solution for the targeted diagnosis and treatment of bone microfractures; and Radii Devices, a company that uses state-of-the-art AI and biomechanical modelling to help clinicians design better fitting prosthetic sockets for people with limb loss or limb difference.

8. Expand the breadth and depth of our educational programme to include more on and off-line courses and more subjects designed to appeal to a broader audience, including GPs and physiotherapists – our educational programme is based on a blended model of virtual and in-person events (as well as recorded events available to purchase and download) that will improve knowledge of prevention, diagnosis, treatment, and the management of MSK conditions.
9. Review and challenge our investment strategy and cost base to ensure the maximum impact
10. Report our programmes and impact openly and share our learnings with partners and collaborators. We annually publish our impact report (www.oruk.org/about-us/our-impact/download) to demonstrate our progress against our strategy.



Grant making policy

We consider the support of grant applications that are within the scope of our charitable aims; that is to promote the advancement of orthopaedic research and education and, in particular, the encouragement of innovation and partnerships to advance bone, joint and muscle wellbeing in the UK. More information on the funding that is made available is given on our website at www.oruk.org/research/. This provides information on the available funds, as well as examples of recent research projects that were funded. We also published our Research Strategy Document 2020–23 as a sub-heading to our main 2020–23 Strategy www.oruk.org/research-strategy/download.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. We aim to bring together relevant stakeholders to identify patients' priorities for diagnosis and treatment and to support innovative ideas with the clear aim of delivering substantive and safe solutions. We aim to tackle debilitating bone, joint and muscle disorders and ultimately enhance the quality of life, not only of patients but also of their carers and families. We have raised the public profile of the organisation through the staging of high-quality training and educational events. We continue to further raise the quality and public benefit of these events by engaging thought-provoking MSK opinion leaders as speakers and meeting hosts.

Clinical and scientific research is key to the advancement of knowledge and expertise within medical schools in universities and hospitals. Through our funding, these institutions are able to provide academic research positions or research fellowships that may not otherwise be possible. This opens-up new research areas

and directly benefits researchers at all levels, including post-doctorates. Surgeons also benefit from access to cutting-edge research and improved training, helping them to provide better treatment and outcomes to patients.

The results of research are generally readily available in the public domain through the publication of results in the media and the public presentation of research projects. These presentations and publications are always peer reviewed to ensure a consistently high quality of research. By adopting these measures, we are able to satisfy the public benefit funding requirements.

Short-term and longer-term aims and objectives

Given that we are a medical research charity, patients are always our focus. Our aim is to reduce the demand on the NHS, for the treatment and support of patients with poor bone, joint and muscle health, by investing in innovative programmes that have the capability to deliver the maximum impact on the population as a whole.

We focus on the difference we can make over the short, medium, and longer term.

Short-term impact is provided by our conferences and other knowledge-sharing events, and our educational programme.

Although we have deliberately created a diverse investment programme with projects at different stages of development, our priority has been to identify opportunities that have the potential to deliver an impact in the medium term.

The societal benefit from our research investments can typically only be measured over the longer term. However, this does not mean that they do not have the potential to make a valuable contribution by increasing our knowledge and understanding of MSK conditions.

Achievements and Performance

The summary of our main achievements is outlined in our CEO's report and in the section for objectives and activities on pages 5 to 9. We believe that we make a significant difference to beneficiaries and wider society in the areas of furthering academic research, supporting the work of MSK clinicians, furthering awareness of MSK conditions amongst the general public and in prioritising the needs of patients and the NHS.



Strategic Report

Financial Review

Financial position

In the 12 months to 31st March 2023, we generated total income of £2,059,531 compared to £1,339,020 in the previous year. During the year we continued to offer our educational events via a hybrid or blended offering of virtual and face-to-face. These different platforms enable us to continue to drive income from education and ESCAPE-pain forwards for the future. More information on education & events, and the ESCAPE-pain programme, is given on page 9.

Continuing uncertainties in the banking sector, along with concerns around interest rates and high rates of inflation, have resulted in a year of volatility on the stock market. Equity markets and portfolios had a period of recovery at the beginning of the 2023 calendar year, but at the balance sheet date were challenged once more. On 31 March 2023, we reflect losses on our listed investments of £1,672,999 compared to a gain the same time last year of £698,972. Our long-term investments in property are also challenged by high interest rates, impacting on their attractiveness on the open market – we have obtained informal, desktop valuations on both properties, both reflecting a drop in value (further detail on this is given in notes 17 and 18b). These fluctuations are, we hope, short term and to be reversed in due course – we hold our assets for the long term, acting as custodians; it remains the trustees' firm intention to hold on to these assets. Income generated from all of our investments is absolutely essential to us, representing our principal funding source. Sustaining the listed investments in particular will allow us to continue to invest in quality research across all the Funds that we have available. Our reserves policy on page 12 explains how we have committed to protect these key assets for the future. More detail on our income and expenditure is given in the Statement of Financial Activities. On 31st

March 2023, our net assets were £27.7 million, compared to £29.8 million on 31st March 2022.

Indemnity provisions – as part of the agreement relating to the sale of JRI there were indemnity provisions that related to past events of that entity. A number of those indemnity provisions came to an end during the 19/20 accounting year. The Trustees undertook a judgement exercise on 31st March 2023 to reassess the likelihood of the remaining provisions having a material impact and as a result it was considered that no change should be made to the total provision of £250,000 in relation to indemnities.

The principal risks and uncertainties that we face at this time are outlined in our Risk Register. This is kept under regular review by the Executive and is considered by the Finance Committee on a quarterly basis to update, identify and review existing and arising risks. Our most recent Risk Register outlined our Top Risks as continuing to be the maintenance of income from investments, and organisational resilience/talent retention/talent sourcing.

We need our investments to continue to generate the income required to fund our research. The Board considers that the choice of two investment managers spreads this risk, with each manager deploying different investment strategies. The Board meets both managers regularly (at least twice a year) to carefully review their performance against our objectives. Uncertain times, both politically and economically, mean that risks can never be completely avoided, but the Board has put in place as many checks and balances as possible to mitigate these risks. A summary of our investment policy and investment objectives is shown in the next section.

In common with many other businesses and charities, ORUK has felt the effects of the cost-of-living crisis. The main focus of this is ensuring that the charity is able to retain its talent, its staff, offering competitive salaries in line with

the cost of living. In addition, the charity offers flexible working arrangements and trialled (successfully) a 4-day working week on an informal basis in 22/23. We are looking at ways to roll this out more broadly in 23/24. With a small team, organisational resilience can be a source of concern – the charity looks to mitigate this with its systems, offering ongoing support to its staff, and competitive pay and working arrangements, with flexibility around how and where work is done. Also, some functions are outsourced. The executive team has worked tirelessly and dynamically to embrace change so that it can continue to deliver our charitable aims and objectives.

Whilst not a key risk for ORUK, we do fear that junior investigators and post-docs may decide to move out of academic research simply because funding becomes ever harder to come by. We have seen a sharp decline in the number of applications from the MSK research community, particularly from orthopaedic surgeons, which is in line with what our other research partners are observing in recent years. As a result, we will be conducting a comprehensive survey in 23/24 to understand the reasons behind this issue.

Investment policy and objectives

The Board receives quarterly reports from Sarasin & Partners and Rathbones, two investment management companies specialising in the charity field, each of whom handles an investment portfolio on our behalf.

Whilst the investment managers work to various benchmarks and indices, our overarching target for the investment portfolios is a total return of RPI plus 4% per annum on a 3-year rolling basis. Our income target for each fund has previously been around the £320,000 per annum mark. We continued to receive a good stream of dividend income during 22/23, an increase to the level received in 21/22; income received from investments in 22/23 was £625,457

compared to £587,305 in 21/22. Our budget for 23/24 is for just under £620k across both funds, not quite at the overall income target level that we look for. In 23/24 therefore we are also looking at fixed term deposit accounts, achieving a better rate of interest, thereby topping up our investment income budget.

The charity has set ethical investment policies for its investment managers, for example, we will not invest in companies trading in tobacco.

Reserves policy

Our reserves policy ensures that we have sufficient funds to cover ongoing commitments and we are able to continue to fund our charitable activities. The trustees review our reserves policy annually and keep the position under careful review at Board meetings to ensure that it evolves with our strategy. Our key income-generating assets are our two properties and our mixed-motive and listed investments (these assets are marked with an asterisk* in the table below). Maintaining the 'capital' value of those assets will be imperative in order to generate sufficient income to sustain our future plans.

After the sale of our trading subsidiary in April 2018, the trustees collectively agreed that the proceeds of the sale should be spent carefully, as this will be the key to enabling us to invest in the

long-term, not only in our charitable activities but also in strategic initiatives. We consider that these key assets are effectively ring-fenced to enable us to use the income that is generated from them to support our routine and ongoing running costs. The trustees consider that although there is no legal endowment in place to separate these assets, they should be considered to be endowed and in doing so, the trustees are acting in the spirit of the original intention of the founder of our charity.

At the balance sheet date our designated funds amounted to £27,123,292. Part of this represents our 'Capital Fund' [£25,663,292] and our 'Fabric Fund' [£250,000]. The remainder represents our 'Strategy Development Fund' (SDF) [£1,210,000]. The SDF has been reset at the balance sheet date to be our budget for the next financial year for New Research (both academic and non-academic projects) – the SDF encompasses The ORUK Inspiration Fund, The Ronald Furlong Fund and The ORUK Early Career Research Fellowships and The Joint Partnership Fund. Thanks to monies received from the Medical Research Council (see our CEO's report on page 5), we were able to increase our budget for 23/24 for Early Career Researchers, providing key support to this vital sector.

Designations are a choice for the Board and are kept under close review.

Our free reserves

Our free reserves are identified as £512,720; being £559,490 as calculated below, less £46,770 of tangible fixed assets which are illiquid. Our ongoing target is to hold between £750k and £1m in readily available liquid funds in order to cover the running costs of the charity for 12 months. On 31st March 2023, cash in our current accounts amounted to £1.4m and we are therefore satisfied that we achieved our 'liquid funds' target.

Going concern

The financial statements of the charitable company have been prepared on a going concern basis as the trustees have assessed the going concern position and have no reason to believe that there are any material uncertainties that would affect the ability of the charitable company to continue as a going concern for the foreseeable future. In order to plan for future cashflow requirements, the trustees have considered the period covering the next 12 months and have reviewed forecasts for that period in making their assessment.

Net assets	Unrestricted	Designated (unrestricted)	Totals
	£	£	£
Tangible fixed assets	£46,770	£351,306*	£398,076
Investments	£85	£26,791,859*	£26,791,944
Net current assets	£512,635	£595,845	£1,108,480
Long-term liabilities	–	(£365,718)	(£365,718)
Provisions	–	(£250,000)	(£250,000)
Total	£559,490	£27,123,292	£27,682,782

*these are our key income-generating assets, as referred to on the previous page.



'Research' and 'Finance, Investment and Audit' (FIAC). The Research Committee's responsibility is to ensure the integrity of the charity's programme of scientific research support and its relevance and importance to people affected by MSK conditions. The FIAC's responsibility is to help the Board of ORUK Trustees to discharge its fiduciary duties and responsibilities.

Decision making

The Charity has a Board of Trustee Directors who have the requisite skills, knowledge, and experience to discharge their duties as trustees of this incorporated charitable organisation. Day-to-day management of the charity is delegated to ORUK's leadership team, as detailed on page 3. At periodic meetings, the trustees agree broad strategic activities including investments, reserves, risk management and grant making. On-going performance of the research projects is also reported, as is the performance of the listed investments. The Scientific Advisory Committee (SAC) meets at regular intervals to assist with the review process of our research applications across our available Funds, and to recommend to the Trustees the best projects submitted for funding. The SAC is an independent review panel assessing each project separately to the charity www.oruk.org/about-us/team/#tab_scientific-advisory-committee

Induction and training of new trustees

New trustees are recruited either by recommendation or by advertising in relevant publications or media. A potential trustee then meets the trustees to receive a briefing on the Charity's activities and structure and is given a package of information which includes the agendas and minutes of the Board meetings of the last twelve months. He or she will then be invited to attend a trustee meeting at which they can ask any further questions before being appointed as a trustee and member of the board.

Plans for Future Periods

Our work is an investment in the future that will benefit all of us. It will ease the burden on the NHS, reduce workplace sickness and improve the quality of life for millions of people. Pain, immobility, and the resulting isolation are serious issues, but we do not believe they are inevitable. We outlined earlier in the Trustees Report (on pages 8-9) how our 3-year Strategy guides us and how we have achieved our aims so far. Our Research Strategy is part of our overall Strategy, and it explains that our vision is focussed on three core areas:

1. Supporting early-career research talents within academia.
2. Supporting MSK professionals with ideas that address patients' unmet needs.
3. Supporting entrepreneurs and start-ups with game-changing ideas that can revolutionise MSK health care.

We continue to expand the portfolio of our education and training events, offering a variety of topics tailored for the MSK community, including academic scientists, orthopaedic surgeons, and physiotherapists.

In November 2023 we will be hosting our second AI in Orthopaedics conference. Last year's event, hosted by the Royal College of Surgeons of England, was the first national conference dedicated to the role of AI and big data within orthopaedics. We are also about to launch an MSK Health for the Workplace programme, in association with the Arthritis and Musculoskeletal Alliance. This will focus on improving the MSK health of the working age population. The programme will include research, funding for innovation, policy papers, educational programmes, and events.

Structure, Governance and Management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Committees

In addition to the Board of ORUK, there are two sub-committees that oversee the various activities of the charity:

Key management personnel remuneration

Key management personnel (KMP) of the charity are considered to be the CEO and the trustees. To set the CEO's salary, a sub-committee of trustees undertakes research to benchmark average CEO salaries which is then discussed at an appraisal. Details of KMP remuneration is given in note 14 of the accounts.

Risk management

The risks to which the charity may be exposed are under regular review, and systems and procedures have been established to address and manage those risks. Our risks and the steps taken to address them are further explained on page 11.

Fundraising Standards Information

Our fundraising practices meet the values and principles of ORUK as an organisation. We are registered with the Fundraising Regulator. The impact of Covid-19 led us to cease our fundraising activities. We do not use external professional fundraisers, nor do we employ the services of any fundraising agencies or third parties. Most of our fundraising during the year related to Trust and Foundations and there is currently only a small amount of public fundraising. We have ensured that we meet the criteria set by the GDPR data protection regulations and all other relevant codes of conduct. To ensure that we take all reasonable care to protect vulnerable people, we comply with the guidance set out by the Institute of Fundraising. We received no complaints about our fundraising practices during the period.

Trustees' Responsibilities Statement

The trustees (who are also directors of Orthopaedic Research UK for the purposes of company law) are responsible for preparing the Report

of the Trustees and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial period. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the statement of financial activities, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the

prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Trustees, incorporating a strategic report, is approved by order of the board of trustees, as the company directors, on 12th December 2023

Adrian Downing

and signed on the board's behalf by:

Adrian Downing
Chair of the Board of Trustees

Independent Auditor's Report to the members of Orthopaedic Research UK

Opinion

We have audited the financial statements of Orthopaedic Research UK (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Orthopaedic Research UK'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks relating to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations

of the charity from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remain alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP

Judith Miller (Senior statutory auditor)

Date: 14 December 2023

for and on behalf of Sayer Vincent LLP,

Statutory Auditor

Invicta House, 108-114 Golden Lane,
London EC1Y 0TL

Statement of Financial Activities

(incorporating an income and expenditure account)

For the year ended 31 March 2023

CURRENT YEAR

	Note	Unrestricted funds £	Restricted funds £	31 March 2023 Total £	31 March 2022 Total £
Income from:					
Donations and legacies	2	2,528	-	2,528	7,643
Charitable activities	5	381,594	567,665	949,259	307,073
Other trading activities	3	-	-	-	-
Investments	4	1,107,744	-	1,107,744	1,024,304
Total income		1,491,866	567,665	2,059,531	1,339,020
Expenditure on:					
Raising funds	6	746	-	746	50
Charitable activities	7/11	1,445,315	271,261	1,716,576	1,644,384
Total expenditure		1,446,061	271,261	1,717,322	1,644,434
Net income/(expenditure) before investments		45,805	296,404	342,209	(305,414)
Net gains/(losses) on investments	24	(2,446,290)	-	(2,446,290)	698,972
Gains/(losses) on revaluation of fixed assets	24	(96,711)	-	(96,711)	-
Net income/(expenditure) after investments		(2,497,196)	296,404	(2,200,792)	393,558
Transfers between funds	24	296,404	(296,404)	-	-
Net movement in funds		(2,200,792)	-	(2,200,792)	393,558
Reconciliation of funds:					
Total funds brought forward	24	29,883,574	-	29,883,574	29,490,016
Total funds carried forward	24	27,682,782	-	27,682,782	29,883,574

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the period.

PRIOR YEAR

		Unrestricted funds	Restricted funds	31 March 2022
	Note	£	£	Total
Income from:				
Donations and legacies	2	4,647	2,996	7,643
Charitable activities	5	307,073	-	307,073
Other trading activities	3	-	-	-
Investments	4	1,024,304	-	1,024,304
Total income		1,336,024	2,996	1,339,020
Expenditure on:				
Raising funds	6	50	-	50
Charitable activities	7	1,641,388	2,996	1,644,384
Total expenditure		1,641,438	2,996	1,644,434
Gains on revaluation of fixed assets	24	-	-	-
Other net gains on investments	24	698,972	-	698,972
Net expenditure		393,558	-	393,558
Transfers between funds	24	-	-	-
Net movement in funds		393,558	-	393,558
Reconciliation of funds:				
Total funds brought forward	24	29,490,016	-	29,490,016
Total funds carried forward	24	29,883,574	-	29,883,574

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the period.

(co no 5585452)

Balance Sheet

For the year ended 31 March 2023

	Note	31 March 2023 Total	31 March 2022 Total
Fixed assets			
Tangible assets	17	398,076	522,695
Mixed motive investments	18	219,490	209,995
Investments	18	26,572,454	28,834,519
Current assets		27,190,020	29,567,209
Stock		919	1,327
Debtors	19	583,723	103,219
Cash at bank and in hand		2,045,570	1,985,334
		2,630,212	2,089,880
Creditors: amounts falling due within one year	20	(1,521,732)	(1,138,321)
Net current assets		1,108,480	951,559
Total assets less current liabilities		28,298,500	30,518,768
Creditors: amounts falling due after more than one year	22	(365,718)	(385,194)
Provisions for liabilities	21	(250,000)	(250,000)
Net assets	25	27,682,782	29,883,574
Charity Funds			
Restricted income funds		-	-
Unrestricted funds:			
General funds		559,490	543,163
Designated funds – capital assets fund	29	25,663,292	28,205,411
Designated funds – fabric fund	29	250,000	250,000
Designated funds – strategy development fund	29	1,210,000	885,000
Total charity funds	24	27,682,782	29,883,574

The financial statements were approved and authorised for issue by the Board on 12th December 2023.

Signed on behalf of the board of trustees

Adrian Downing

Mr A Downing, Trustee

The notes on pages 22 to 42 form part of these financial statements

Statement of Cash Flows

For the year ended 31 March 2023

	Note	31 March 2023 Total	31 March 2022 Total
Cash flow from operating activities	26	(850,037)	(759,734)
Net cash flow from operating activities		(850,037)	(759,734)
Cash flow from investing activities			
Income from investments	4	625,457	587,305
Rent from investments	4	473,055	436,329
Net interest received	4	9,232	670
Purchase of property, plant & equipment	17	(3,752)	(74,238)
Purchase of investments less net cash acquired	18	(1,585,005)	(1,816,422)
Receipts from sale of investments	18	1,391,286	2,095,775
Net cash flow from investing activities		910,273	1,229,419
Net increase in cash and cash equivalents		60,236	469,685
Cash and cash equivalents at 31 March 2022		1,985,334	1,515,649
Cash and cash equivalents at 31 March 2023		2,045,570	1,985,334

The notes on pages 22 to 42 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2023

1. Summary of significant accounting policies

Basis of preparation

Orthopaedic Research UK is a charitable company, limited by guarantee, incorporated in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are given on pages 7-9 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102 and these financial statements contain information about the charity as an individual body. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity has complied with the requirements of FRS 102, and with the provisions of the SORP currently in effect.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting those financial statements are detailed within the relevant accounting policy below.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Income recognition

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

Income from educational training and Escape-pain training events is recognised in full in the period in which the event takes place.

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

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure recognition

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

All expenditure is recognised inclusive of VAT, where VAT applies. The charity is able to recover some of its VAT under partial exemption, and this VAT recovery is shown as an expenditure line, rather than being offset against the expenditure on which it was incurred.

Grants payable to third parties are within the charitable objectives. Where grants are offered subject to conditions

which have not been met at the year-end date, these are noted as a commitment but not accrued as expenditure. Research grants payable are recognised in full, as expenditure with a related liability, from the date on which the grants are awarded and communicated.

Support cost allocation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets are capitalised where their cost exceeds £1,500.

Freehold property, for which fair value can be measured reliably, is measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on revaluation of fixed assets' in the SoFA. The trustees have adopted a policy of regular revaluation of freehold property, and undertake this professionally once every three years, with informal reviews annually. Freehold property includes the space the charity occupies within its London property. See note 17 for further detail.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	- not depreciated
Freehold buildings	- straight line over 50 years
Fixtures and fittings	- 20%-25% on cost
Computer equipment & website	- 33 1/3% on cost

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SoFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA. Investment properties are not depreciated. The trustees have adopted a policy of regular revaluation of investment properties, and will undertake this professionally once every three years, with informal reviews annually. Investment properties include the tenant occupied space in the London and Sheffield properties. See note 18b for further detail.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Mixed motive investments are those held to generate a financial return as well as further the charitable objects. These investments are valued at historic cost and reviewed for indicators of impairment at each balance sheet date. Investments in subsidiary undertakings are valued at historic cost and reviewed for impairment.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stock.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Employee benefits and termination benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. Termination benefits are employee benefits payable as a result of either the charity's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits. Termination payments do not provide the charity with future economic benefits therefore the charity recognises them as an expense in the SoFA immediately.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash deposits with financial institutions (including investment managers) that are readily convertible to known amounts of cash with an insignificant risk of change in value.

Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Indemnity provisions – as part of the sales agreement relating to JRI, there were a number of indemnity provisions in relation to past events of the entity. The trustees undertook a judgement exercise whereby the varying degrees of probability of each provision was assessed and, as a result, a total provision in relation to indemnities of £575,000 was recorded. In 2019, the trustees updated the judgement exercise and concluded that £325,000 of the provision could be released as not required. This amount was released to the SoFA and was shown as an exceptional item. See note 21. No change to the carrying value of provisions has been made in the current or preceding accounting year.

Valuation of properties – freehold land and buildings and investment properties are included at fair value. The last professional valuation was undertaken at 31 March 2021 but an informal desktop valuation is obtained every year. At 31 March 2023 a material movement in valuation was identified and an adjustment for both properties has been included. See notes 17 and 18.

Key sources of estimation uncertainty

The following key sources of estimation uncertainty at the end of the reporting period have a significant risk of causing a material adjustment to the carrying amounts of liabilities within the next financial year:

Spread of rent free period (RFP) – the charity has a long-term commitment on premises. The lease commitment is for 40 years, effective January 2017, with a significant RFP. At the end of the RFP, rent will be charged at market value. The charity is accruing for estimated rent calculated using RPI. In prior years, RPI has not been significant, but at the balance sheet date inflation is high resulting in a significant adjustment to the accrued rent during the accounting period. If inflation continues to rise, a material adjustment will be required in the next financial year.

2. Donations and legacies

	31 March 2023	31 March 2022
	£	£
Donations	2,528	7,643

The donations figure noted above includes both restricted and unrestricted income (where applicable). Unrestricted donations received during the year amounted to £2,528 (2022 - £4,647) and restricted donations received during the year amounted to £nil (2022- £2,996).

3. Other trading activities (unrestricted)

	31 March 2023	31 March 2022
	£	£
Fundraising/challenge events	-	-

4. Investment income (unrestricted)

	31 March 2023	31 March 2022
	£	£
Rental income	473,055	436,329
Dividends received	625,457	587,305
Bank interest received	9,232	670
	1,107,744	1,024,304

5. Income from charitable activities

	Unrestricted funds	Restricted funds	31 March 2023	31 March 2022
	£	£	£	£
Medical Research Council grant income (see note 11)	-	507,701	507,701	-
Education (training courses)	284,366	-	284,366	219,231
Escape-pain (training courses and grant income [see note 7])	95,263	59,964	155,227	85,081
Publishing	1,965	-	1,965	2,761
	381,594	567,665	949,259	307,073

The income from charitable activities figure noted above includes both restricted and unrestricted income. Unrestricted income received during the year amounted to £381,594 (2022 - £307,073) and restricted income received during the year amounted to £567,665 (2022 - £nil).

6. Expenditure on raising funds

	31 March 2023	31 March 2022
	£	£
Fundraising costs	746	50

7. Charitable activities costs

	Direct & support costs	Grant funding of activities 31.3.23 (see note 11)	Totals
	£	£	£
Promoting best orthopaedic practice through education	565,559	-	565,559
Publishing and sponsorship	45,106	-	45,106
Research into best orthopaedic practice	-	811,801	811,801
Governance costs (note 10)	294,110	-	294,110
	904,775	811,801	1,716,576

Charitable activities costs above include support cost allocations, which are analysed in note 10.

Investment management costs are included in governance costs and total £26,395 (2022 - £29,110).

Restricted fund costs in relation to ESCAPE-pain grant income amounted to £59,964 - actual costs in relation to the grant exceed that figure.

	Direct & support costs	Grant funding of activities 31.3.22 (see note 11)	Totals
	£	£	£
Promoting best orthopaedic practice through education	381,317	-	381,317
Publishing and sponsorship	12,695	-	12,695
Research into best orthopaedic practice	-	901,403	901,403
Governance costs (note 10)	348,969	-	348,969
	742,981	901,403	1,644,384

8. Grants payable

	31 March 2023	31 March 2022
	£	£
Research into best orthopaedic practice	811,801	901,403

See note 11 for an analysis.

9. Net income/(expenditure)

	31 March 2023	31 March 2022
	£	£
Net income/(expenditure) is stated after charging/(receiving):		
Depreciation - owned assets	31,660	16,369
Foreign currency translation - realised currency gains	(13,042)	2,377

10. Allocation of support cost

Support cost	Research	Promoting (through education & advancement of knowledge)	Fundraising	Governance	31 March 2023 Total
	£	£	£	£	£
Human resources	60,622	13,990	-	111,918	186,530
Premises/insurance	43,234	9,977	-	79,816	133,027
Communications & PR	13,389	3,076	-	25,128	41,593
Travel expenses	65	8	-	703	776
Other expenses	18,119	4,181	-	57,548	79,848
Depreciation	10,289	2,374	-	18,997	31,660
Total	145,718	33,606	-	294,110	473,434

Support costs are allocated to the activities they support based on an apportionment of employees' time spent on each activity. The costs analysed above are included in charitable activities costs (see note 7).

Support cost	Research	Promoting (through education)	Fundraising	Governance	31 March 2022 Total
	£	£	£	£	£
Human resources	43,940	8,788	-	123,030	175,758
Premises/insurance	35,253	7,051	-	98,709	141,013
Communications & PR	11,402	2,280	-	31,925	45,607
Travel expenses	166	45	-	1,095	1,306
Other expenses	17,579	3,516	-	81,958	103,053
Depreciation	4,376	875	-	12,252	17,503
Total	112,716	22,555	-	348,969	484,240

11. Grant making

CURRENT YEAR

Name of institution	Purpose for which grants made (research)	31 March 2023 £
Northumbria Healthcare NHS Foundation Trust	JPF - using an AI system to predict outcomes for surgical patients	55,000
Northumbria Healthcare NHS Foundation Trust	JPF - study of patients undergoing primary hip and knee replacement in the United Kingdom	28,343
Newcastle Upon Tyne NHS Foundation Trust	JPF - development of patient cell lines to investigate the pathophysiology of osteogenesis imperfecta and the mechanotransduction of these cells during mechanical strain	32,500
University of Cambridge	JPF - femoroacetabular impingement and hip osteoarthritis: identifying new treatment targets	30,000
Manchester Metropolitan University	ECRF - development of a 3D ultrasound imaging technique with auto-segmentation	108,000
Queen Mary University of London	IF - defining the pro-nociceptive role of neutrophils in chronic widespread pain	30,000
University College London	ECRF - MRI assessment of reinnervated muscle for an ibuprofen trial	110,000
Royal National Orthopaedic Hospital NHS Trust	IF - virtual reality plus sensory feedback for the management of chronic musculoskeletal pain in adults	49,954
King's College Hospital London	IF - does small fibre neuropathy predict the development and progression of Charcot neuroarthropathy bone and joint destruction (a pilot study)	50,000
Staffordshire University	IF - evidence based guidelines for the optimal design of rigid ankle-foot orthosis	48,000
University of Oxford	ECRF - reduction of 'non-specific' anterior knee pain after total knee replacements by the diagnosis of patella mal-tracking using a novel ultrasound method in the clinic	110,000
University College London	project underspend (see note below)	(354)
Newcastle University	project underspend (see note below)	(507)
Grants to institutions		650,936
Patent fees, Scientific Advisory Committee costs and research specific promotion		15,147
Direct costs of grant making		666,083
Support costs of grant making – see note 10		145,718
TOTAL COSTS OF GRANT MAKING		811,801

JPF= Joint Partnership Fund ;IF= Inspiration Fund; ECRF= Early-career Research Fellowship

The five projects marked with an asterix (*) above are shown within restricted fund expenditure. During the year the charity received grant monies of £507,701 from the Medical Research Council to be used to support early-career researchers. Restricted expenditure on research grants during the year amounted to £211,297 (2022 – £nil) and unrestricted expenditure on research grants during the year amounted to £439,639 (2022 – £763,558).

11. Grant making (continued)

Occasionally universities, for various reasons, do not spend all the funds that they initially requested to carry out their research activities. There is a provision in the contract signed between the parties that enables ORUK to ask for any 'underspend' monies to be returned to the charity. The adjustments above relate to refunds of unspent funds, or credits of agreed funding, where the universities have confirmed that not all of the grant was required.

PRIOR YEAR

Name of institution	Purpose for which grants made (research)	31 March 2022 £
Queen Mary, University of London	JPF - predicting mortality in major trauma using an AI risk prediction model	30,000
Newcastle University	JPF - can statins reduce inflammatory response to orthopaedic biomaterials	35,023
Newcastle University	JPF - research fellowship - epidemiology of infection following hip fracture surgery	50,000
South West London Elective Orthopaedic Centre/Epsom	IF - machine learning to detect and predict loosening of the femoral component of an uncemented total hip replacement	49,500
University of Oxford	ECRF - anterior shoulder dislocations/glenohumeral joint osteoarthritis	97,878
Nottingham University	ECRF - effect of exercise on patients with low back pain	109,408
University of East Anglia	IF - Dupuytren's disease and MMP-14	34,850
Southampton University	IF - using microbubbles to deliver local treatments in fracture non-union	49,764
University of Bath	ECRF - open-source finite element ankle model for in-silico assessment of treatment	101,961
Imperial College London	ECRF - optimising outcomes after patellofemoral joint replacements	110,000
Newcastle University	ECRF - a theranostic for bone cancers	107,654
University of East Anglia	project underspend (see note below)	(212)
Newcastle University	project underspend (see note below)	(12,268)
Grants to institutions		763,558
Patent fees, Scientific Advisory Committee costs and research specific promotion		25,129
Direct costs of grant making		788,687
Support costs of grant making – see note 10		112,716
TOTAL COSTS OF GRANT MAKING		901,403

12. Auditor's remuneration

Amounts payable to the auditor for statutory audit services of the charity, excluding VAT, are £13k (2022 – £11.35k).

Amounts payable to the auditor and its associates for other services (tax advisory) of the charity, excluding VAT, are £1k (2022 – £nil).

13. Trustees' remuneration and benefits

No trustees received remuneration or benefits from the charity. One trustee, Mr M Gouldstone, provided consultancy services to the charity's subsidiary undertaking, Novara Therapeutics Ltd, and received £nil via his own limited company (2022 – £10,800) during the year for these services. This remuneration is permitted within the charity's Articles of Association and was approved by the Board of Trustees following a process as set out in those Articles. Mr Gouldstone is also a director of Novara Therapeutics Ltd.

At the balance sheet date, there were two ongoing research projects where trustees were involved as collaborators – the expenditure on these was recognised in previous years. The trustees involved were Mr K Tucker and Mr M Santin. Collaboration means being part of the research team, supervising the primary researcher. Neither trustee received any remuneration or benefits in relation to this collaboration work. As outlined in the charity's Articles, the trustees declared their conflict of interest in relation to these research projects and excused themselves from discussions on both the Scientific Advisory Committee and on the Research Committee.

Trustees' expenses

Expenses totalling £410 (2022 – £341) were paid to 3 trustees in the year (2022 – 2) by the charity, representing reimbursement of travelling expenditure. In addition, the charity expended £8,332 (2022 – £5,333) on hosting trustee meetings and away-day strategy meetings.

14. Staff costs and employee benefits

	31 March 2023	31 March 2022
	£	£
Wages and salaries	382,224	301,102
Social security costs	38,761	29,142
Employer's contribution to defined contribution pension schemes	24,779	20,568
	445,764	350,812

The amount of £445,764 (2022 - £350,812) above includes £120,157 (2022 - £121,778) of employee benefits received by key management personnel, including the CEO, for services to the charity. Key management personnel are defined on page 16.

15. Staff costs

The average number of employees, by headcount, in the period was as follows:

	2023 (Charity)	2022 (Charity)
	Number	Number
Charitable activities	6	4
Governance	2	2
	8	6

The charity pays contributions into a money purchase group personal scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. Contributions paid into the scheme by the charity in the period were £24,779 (2022 - £20,568). The pension creditor at the period end was £nil (2022 - £nil).

The number of employees who received total employee benefits (excluding employer pension costs and employer social security costs but including benefits in kind) of more than £60,000 was as shown in the table below.

	2023	2022
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£90,000 - £100,000	1	-
£100,000 - £110,000	-	1

16. Related party transactions

The key management personnel (KMP) of the charity comprises the CEO and the trustees. Transactions with trustees are set out in note 13. Total employee benefits of the key management personnel of the charity were £120,157 (2022 - £121,778).

Aggregate donations received from related parties amounted to £nil (2022 - £nil).

17. Tangible fixed assets

	Freehold land & buildings	Fixtures, fittings & equipment	Totals
	£	£	£
COST/VALUATION			
At 31 March 2022	588,429	88,959	677,388
Additions	-	3,752	3,752
Revaluations	(96,711)	-	(96,711)
At 31 March 2023	491,718	92,711	584,429
DEPRECIATION			
At 31 March 2022	137,600	17,093	154,693
Charge for the year	2,812	28,848	31,660
At 31 March 2023	140,412	45,941	186,353
NET BOOK VALUE			
At 31 March 2023	351,306	46,770	398,076
At 31 March 2022	450,829	71,866	522,695

The freehold building relates to the charity-occupied part of 10a Chandos House in London. This building was acquired in January 2008. The property was recognised at fair value on transition to SORP (FRS 102) using a previous fair value valuation. The building is being depreciated from the FRS 102 transition date of 1/4/14 and has a net book value of £351,306; land is not depreciated. The historic cost equivalent of this asset at net book value is £389,449, and depreciation at historic cost would be £403. The trustees have adopted a policy of regular revaluation of freehold property, and undertake this professionally once every three years, with informal reviews annually. The freehold property was subject to an informal, desktop valuation on 31/3/23. The valuation was undertaken by Colliers International Valuation UK LLP, a firm of independent valuers. Further information on property valuations is contained in note 18b.

18a. Fixed asset investments

	Unlisted investments	Mixed motive investments	Investment properties (18b)	Listed investments	Totals
	£	£	£	£	£
COST/ MARKET VALUE					
At 31 March 2022	85	209,995	7,946,572	20,887,862	29,044,514
Revaluations	-	-	(773,290)	(1,672,999)	(2,446,289)
Additions	-	9,495	-	1,575,510	1,585,005
Disposals	-	-	-	(1,391,286)	(1,391,286)
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944
NET BOOK VALUE/FAIR VALUE					
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944
At 31 March 2022	85	209,995	7,946,572	20,887,862	29,044,514

In addition to the investment management costs which have been disclosed in note 7, one of our fund managers (Sarasin & Partners), charges a range of ongoing, explicit, and implicit charges which have not been presented as expenditure in the statutory financial statements. The cost applied is approximately 1% of the average portfolio value which is deemed immaterial to the financial statements. Income from investments is shown in note 4. Shares in group undertakings were included at cost less impairment. Investment properties and listed investments are included at market value. This is commented on in more detail in note 18b below. Unlisted investments are included at cost which at the year end is considered to be the equivalent of market value.

The unlisted investment above relates to an 85% shareholding in a subsidiary undertaking, Novara Therapeutics Limited, a company registered in England and Wales under company number 12841228. The subsidiary has been excluded from consolidation as its inclusion is not material for the purpose of giving a true and fair view. The company's aggregate liabilities at 31/3/23 were £26,934 (2022 £25,154), it had no turnover in the accounting period and its loss for the year was £1,780 (2022 £13,679).

18a. Fixed asset investments (continued)

	Unlisted investments £	Mixed motive investments £	Investment properties £	Listed investments £	Totals £
COST/ MARKET VALUE					
At 31 March 2021	85	99,996	7,463,370	20,578,174	28,141,625
Revaluations	-	-	-	698,972	698,972
Additions	-	109,999	-	1,706,423	1,816,422
Transfer from freehold	-	-	483,202	-	483,202
Disposals	-	-	-	(2,095,707)	(2,095,707)
At 31 March 2022	85	209,995	7,946,572	20,887,862	29,044,514
NET BOOK VALUE					
At 31 March 2022	85	209,995	7,946,572	20,887,862	29,044,514
At 31 March 2021	85	99,996	7,463,370	20,578,174	28,141,625

18b. Investment properties

The charity has two investment properties – the London property is the tenant-occupied part of 10a Chandos House in London and the Sheffield property is in Chapeltown in Sheffield.

The investment properties were last subject to independent, professional valuation as at 31/3/21. The London property valuation was undertaken by Colliers International Valuation UK LLP, a firm of independent valuers. The Sheffield property valuation was undertaken by Mark Jenkinson & Son, a firm of independent valuers. Both valuations were carried out in accordance with the requirements of the RICS Valuation – Professional Standards Manual. The historic cost equivalent of these assets is £4,411,349 and £3,498,868 respectively.

The trustees carry out a formal valuation of properties every three years, checking in with valuers in between.

The Sheffield property was valued at £3.75m on an informal, desktop valuation basis, on 31/3/23.

The London property was valued at £3.915m on an informal, desktop valuation basis, on 31/3/23. Adjustments for both properties have been reflected in the year.

It remains the trustees' current intention to hold both properties for the long term.

19. Debtors: amounts falling due within one year

	31 March 2023	31 March 2022
	£	£
Trade debtors	476,562	41,598
Other debtors	5,558	6,081
Amounts owed by group undertakings	25,596	23,712
Prepayments and accrued income	76,007	31,828
	583,723	103,219

20. Creditors: amounts falling due within one year

	31 March 2023	31 March 2022
	£	£
Trade debtors	72,153	90,578
Grants payable	864,156	654,653
Taxation and social security	42,487	23,946
Other creditors	44,993	10,966
Accruals and deferred income	497,943	358,178
	1,521,732	1,138,321

Deferred income includes monies held for courses to be held in the next financial year amounting to £89,983 (2022 – £60,865), and rents invoiced in advance, amounting to £133,714 (2022 – £119,047).

	31 March 2023	31 March 2022
	£	£
Balance at the beginning of the period	179,912	155,648
Amount released to income in the period	(179,912)	(155,648)
Amount deferred in the period	223,697	179,912
Balance at the end of the period	223,697	179,912

21. Reconciliation of grant commitments and provisions

	31 March 2023 £	31 March 2022 £
Grant commitments at 31 March 2022	1,039,847	556,915
Grants adjusted/charged in the period (note 11)	650,936	763,558
Grants paid in the period	(460,909)	(280,626)
Grant commitments at 31 March 2023	1,229,874	1,039,847

	31 March 2023 £	31 March 2022 £
Provisions at 31 March 2022	250,000	250,000
Indemnity provision released in the period	-	-
Provisions at 31 March 2023	250,000	250,000

As part of the sales agreement relating to JRI, ORUK committed to a number of indemnity provisions relating to past JRI events. The indemnities had specific, but varying, time periods applied. The trustees have, for each of the indemnities, considered the likelihood of the provision crystallising and have concluded that provision in the accounts should be made for those considered most probable. At the balance sheet date, they have updated their review of the provisions and consider that the provisions brought forward from the prior year should still be retained in the accounts. More information is supplied in note 27.

22. Creditors: amounts falling due after more than one year

	31 March 2023 £	31 March 2022 £
Grants payable	365,718	385,194

23a. Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	31 March 2023 £	31 March 2022 £
Less than one year	3,458	3,401
Two to five years	-	-
Over five years	908,028	468,082
	911,486	471,483
Land and buildings	908,028	468,082
Other (equipment)	3,458	3,401
	911,486	471,483

23b. Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods, and all relate to land and buildings:

	31 March 2023 £	31 March 2022 £
Less than one year	410,046	431,925
Two to five years	893,216	1,376,270
Over five years	-	-
	1,303,262	1,808,195

24. Fund reconciliation

	Balance at 31 March 2022	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2023
	£	£	£	£	£	£
Other charitable funds	29,883,574	1,491,866	(1,446,061)	296,404	(2,543,001)	27,682,782
Restricted	-	567,665	(271,261)	(296,404)	-	-
	29,883,574	2,059,531	(1,717,322)	-	(2,543,001)	27,682,782

Of the £27,682,782 of other charitable funds above, £27,123,292 has been identified as being 'designated' at the period-end; this is further explained in note 25a and note 29. The purpose of the designated fund is to ring-fence key income-generating assets so that the charity can continue with its charitable activity of investing in research, and to enable the charity to invest in its fundraising plan to realise its vision of 'pain-free movement for all'.

The transfer of £296,404 above relates to the monies received from the Medical Research Council (see notes 5 and 11) - the transfer relates to expenditure incurred in previous years, recognised as per the accounting policy and, at the time, treated as expenditure within unrestricted funds.

	Balance at 31 March 2021	Income	Expenditure	Transfers	Gains/ (losses)	Balance at 31 March 2022
	£	£	£	£	£	£
Other charitable funds	29,490,016	1,336,024	(1,641,438)	-	698,972	29,883,574
Restricted	-	2,996	(2,996)	-	-	-
	29,490,016	1,339,020	(1,644,434)	-	698,972	29,883,574

25a. Analysis of net assets between funds (current period)

	General £	Designated £	Restricted £	Total Funds £
Tangible fixed assets	46,770	351,306	-	398,076
Investments	85	26,791,859	-	26,791,944
Net current assets	512,635	595,845	-	1,108,480
Long term liabilities	-	(365,718)	-	(365,718)
Provisions	-	(250,000)	-	(250,000)
Net assets at 31 March 2023	559,490	27,123,292	-	27,682,782

25b. Analysis of net assets between funds (prior period)

	General Unrestricted £	Designated £	Restricted £	Total Funds £
Tangible fixed assets	71,866	450,829	-	522,695
Investments	85	29,044,429	-	29,044,514
Net current assets	471,212	480,347	-	951,559
Long term liabilities	-	(385,194)	-	(385,194)
Provisions	-	(250,000)	-	(250,000)
Net assets at 31 March 2022	543,163	29,340,411	-	29,883,574

26. Reconciliation of net income to net cash flow from operating activities

	31 March 2023 £	31 March 2022 £
Net income for period	(2,200,792)	393,558
Dividends received	(625,457)	(587,305)
Interest receivable	(9,232)	(670)
Depreciation of tangible fixed assets	31,660	16,369
Losses/(gains) on investments and on revaluation of fixed assets	2,543,001	(698,972)
Reverse indemnity provision	-	-
(Profit)/loss on disposal of tangible fixed assets	-	1,132
Rent from freehold investment property	(473,055)	(436,329)
Decrease/(increase) in stock	408	580
(Increase)/decrease in debtors	(480,504)	(63,353)
Increase/(decrease) in creditors	363,934	615,256
Net cash flow from operating activities	(850,037)	(759,734)

Cash and cash equivalents at 31 March 2023 were £2,045,570 (2022 - £1,985,334). This amount is analysed as £2,044,848 (2022 - £1,826,349) of bank balances, £219 held by investment houses as 'cash' balances available to invest (2022 - £158,483) and £502 (2022 - £502) of cash.

ANALYSIS OF CHANGES IN NET DEBT

	Balance at 31 March 2022 £	Cashflows £	Balance at 31 March 2023 £
Cash	1,826,851	218,499	2,045,350
Cash-equivalents	158,483	(158,264)	219
Grants falling due within 1 year	(654,653)	(209,503)	(864,156)
Grants falling due in more than 1 year	(385,194)	19,476	(365,718)
	945,487	(129,792)	815,695

27. Contingent liabilities

As outlined in note 21, in prior periods ORUK committed to a number of indemnity provisions – initially these were provided for within the accounts but as the likelihood of these crystallising reduced, the provisions were reversed. Of the four indemnities committed to, three have already fallen outside the time limit restriction, and one remains provided for in the accounts.

28. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is not to exceed £10.

29. Analysis of designated funds

		31 March 2023	31 March 2022
An analysis of the funds is given below:		£	£
Strategy Development Fund	new research (academic and non-academic)	1,210,000	885,000
Fabric Fund	ongoing maintenance to Furlong House (grade II listed)	250,000	250,000
Capital Fund	to ring fence key income generating assets	25,663,292	28,205,411
		27,123,292	29,340,411

Included within the Strategy Development Fund is an amount of £285,000 which is additional funding to be made available to support early career researchers – this allocation has been made possible by the MRC monies as described in note 5.

30. Post balance sheet events

After the year end, the market value of the listed investments has continued to fall as a result of the continuing concerns around inflation, interest rates and the costs of living. The latest valuation, obtained for the end of Q2, totalled £18,928,155. The trustees are in regular contact with the investment managers – in-person presentations are given twice per year, and reports are made at each Finance Committee meeting. The trustees are aware of the uncertainty surrounding the portfolios and are keeping them under close review.

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