

# NUFFIELD ORTHOPAEDICS LTD

England & Wales · Charity number 1079354

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [03816219](#)

**Registered** 2000-02-11

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Nuffield Orthopaedic Centre  
Windmill Road  
Headington  
Oxford  
OX3 7LD

**Phone** 01865227722

**Email** [jeanette.franklin@noc.anglox.nhs.uk](mailto:jeanette.franklin@noc.anglox.nhs.uk)

**Website** [www.ouh.nhs.uk/nocappeal](http://www.ouh.nhs.uk/nocappeal)

## Activities

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**Objects:** 1) TO RELIEVE SICKNESS AND PHYSICAL DISABILITY AND PROMOTE GOOD HEALTH BY SUPPORTING THE NUFFIELD ORTHOPAEDIC CENTRE AND IN PARTICULAR BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING BY ASSISTING IN THE RAISING AND PROVISION OF FUNDS FOR NEW BUILDINGS FACILITIES AND EQUIPMENT.2) TO ADVANCE RESEARCH (AND THE DISSEMINATION OF THE USEFUL RESULTS THEREOF) TEACHING AND STUDY IN ALL ASPECTS OF MUSCULAR SKELETAL DISORDER FOR THE PUBLIC BENEFIT.

**Activities:** Provide buildings at the Nuffield Hospital Oxford known at the Botnar Research Institute where research of orthopaedic and allied matters are carried out.

## Classification

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- **How:** Provides Buildings/facilities/open Space
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** People With Disabilities

## Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE OXFORD
- Oxfordshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£163,498	£568,843	-	-
2024-07-31	£166,714	£565,352	-	-
2023-07-31	£315,417	£565,620	-	-
2022-07-31	£150,773	£471,794	-	-
2021-07-31	£7,510,597	£309,079	£15,932,629	0
2020-07-31	£938,719	£307,312	£8,731,111	0

## Trustees

Name	Role	Appointed
JEANETTE FRANKLIN		
Kevin Richard Sander		2026-05-01
MR C JOHNSTONE		
PHILIP STUART CANDY		2013-05-08

**NUFFIELD ORTHOPAEDICS LTD**

England & Wales - Charity number 1079354

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# Accounts

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Company registration number  
03816219

Nuffield Orthopaedics Limited  
Trustees Report and Financial Statements

31 July 2025

*A registered charity with number: 1079354*

**Nuffield Orthopaedics Limited**  
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**Nuffield Orthopaedics Limited**  
**Company Information (this forms part of the annual trustees' report)**

**Trustees/Directors**

E D J Thomas (Resigned 3 December 2025)  
Professor A J Carr (Resigned 18 October 2024)  
Mrs J Franklin  
C Johnstone  
P S Candy  
K Sander (Appointed 1 May 2026)

**Secretary and Chief Executive Officer**

Mrs J Franklin

**Auditors**

Edwin Smith  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Bankers**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**Principal Office**

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington  
Oxford  
OX3 7HE

**Registered office**

25A Market Square  
Bicester  
Oxon  
Oxford  
OX26 6AD

**Company registration number**

03816219

**Charity registration number**

1079354 (England and Wales)

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2025**

**Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2025.

The directors are trustees for the purposes of the Charities Act 2011.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

**Our purposes and activities**

Nuffield Orthopaedics Limited is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association.

The Objects for which the charity is established are as follows:

To relieve sickness and physical disability and promote good health by supporting The Nuffield Orthopaedic Centre and in particular but without prejudice to the generality of the foregoing by assisting in the raising and provision of funds for new buildings facilities and equipment.

To advance research (and the dissemination of the useful results thereof) teaching and study of all aspects of muscular skeletal disorder for the public benefit.

**Achievements and performance**

Within the objects above the charity has built the Botnar Centre Research Institute within the confines of land leased from the Oxford University Hospitals NHS Trust, and in turn leased the buildings to the University of Oxford.

The buildings form a centre of excellence for the provision of research into diseases of the musculoskeletal system.

The Botnar Research Centre is famous throughout the world solely dedicated to research into Musculoskeletal health. Since its opening the Centre had developed into a world class research facility, bristling with talent and generating visionary science for the benefit of patients worldwide.

**Financial review**

The results for the year are given in the Statement of Financial Activities.

**Reserves Policy**

The charity's financial position is always secure, as no commitment is made for the erection of buildings without the funding being in place to complete the project. Operating costs are met from rentals received for the building. The reserves held at the year end amounted to a surplus of £14,557,422 (2024: surplus £14,962,767) and are used to meet the charity's objectives.

**Investment Policy**

No long-term investments are held other than the leasehold buildings, which have a sixty year lease with Oxford University. Short-term investments being cash at bank are to cover normal day-to-day transactions.

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2025**

**Risk Statement**

The directors assess at various intervals any risk to which the charity may be exposed, in particular those related to the operation of finances of the charity, and they are satisfied that systems are continuing to be in place to reduce any possible exposure to major risks, on an ongoing basis.

**Plans for future periods**

The charity was established to develop and create research facilities on land held by the Oxford University Hospitals NHS Trust, for use by the University. This objective has now been fulfilled, and no further building developments are planned.

Subsequent to the year end, the Trustees undertook a strategic review of the charity's purpose and activities. As part of this review, the Trustees have considered whether the charity remains necessary as an intermediary in the existing leasing arrangements and whether an orderly wind-up of the charity may be appropriate in due course.

At the balance sheet date, no decision to wind up the charity had been made. The subsequent consideration of a potential close does not indicate that the charity was not a going concern at the year end, as the charity was able to meet its obligations as they fell due and continue its activities in the normal course of operations.

The financial statements have therefore been prepared on a going concern basis.

The Trustees will continue to review the position, including the potential future winding up of the charity, in line with their duties.

**Activities undertaken by the charity for the public benefit**

The directors consider that they have complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The charity has facilitated the construction of the Botnar Centre Research Institute so that groundbreaking research can be undertaken into Musculoskeletal disease.

**Structure, Governance and Management**

The company information given on page 1 forms part of this report and includes a full list of the directors, all of whom served throughout the year.

The day to day operation of the charity is delegated to the Chief Executive Officer (CEO). Operational decisions are then made by the CEO except where expenditure relates to a capital nature, which will require full Board approval.

Appointment of new directors is subject to the approval of the Board. Appointees are interviewed by the Chairman plus one other director, and are provided with full information about the charity before being invited to join the Board.

The Board meets at various intervals to administer the charity.

The Board members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise.

These systems should provide reasonable assurance that: -

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity, or for publication, is reliable; and
- the charity complies with relevant laws and regulations.

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2025**

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss

They include:-

- regular consideration by the Board of financial results, and
- delegation of authority and segregation of duties

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on <sup>20/5/20</sup>..... and signed on its behalf.



C Johnstone  
Director

Jeanette Franklin MBE

**Nuffield Orthopaedics Limited**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 July 2025**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinion**

We have audited the financial statements of Nuffield Orthopaedics Limited for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2025 and of its net income 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 of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 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. We draw attention to the disclosures in note 17 concerning post year-end discussions regarding the possible future closure of the charity. Our conclusion is not modified in respect of this matter.

**Other information**

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

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report included within the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees 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 and proper accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 directors either intend to liquidate the 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 is detailed below:

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by making enquiries with management and those charged with governance. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the charitable company has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override. Our audit procedures included testing manual journals, including segregation of duties.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

This description forms part of our auditor's report.

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Philip Nixon FCA  
(Senior Statutory Auditor)

for and on behalf of

**Edwin Smith**

**Accountants and Statutory Auditors**

22/5/2026

32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Nuffield Orthopaedics Limited****Statement of Financial Activities (Income and Expenditure account) for the year ended 31 July 2025**

	<i>Restricted Income Fund</i>	<i>Total funds</i>
Notes	2025 £	2024 £
<b>Income:</b>		
Income from charitable activities - rents receivable	161,976	162,729
Income from Investment - bank interest receivable	1,522	3,985
<b>Total income</b>	<b>163,498</b>	<b>166,714</b>
<b>Expenditure:</b>		
Expenditure on charitable activities	555,558	555,164
Governance costs	13,285	10,188
<b>Total expenditure</b>	<b>568,843</b>	<b>565,352</b>
<b>Net income (expenditure)</b>	<b>(405,345)</b>	<b>(398,638)</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	14,962,767	15,361,405
<b>Total funds carried forward</b>	<b>14,557,422</b>	<b>14,962,767</b>

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

**Nuffield Orthopaedics Limited**  
**Statement of Financial Position as at 31 July 2025**

	Notes	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	8	14,552,221	14,951,191
<b>Current assets</b>			
Debtors	9	675	33,405
Cash at bank and in hand		58,021	263,911
		58,696	297,316
<b>Liabilities</b>			
Creditors: amounts falling due within one year	10	(53,495)	(285,740)
<b>Net current assets</b>		5,201	11,576
<b>Net assets</b>		14,557,422	14,962,767
<b>The funds of the charity</b>			
Restricted Income Funds	12	14,557,422	14,962,767
<b>Total charity funds</b>		14,557,422	14,962,767

The financial statements were approved by the Board and authorised for issue on 20/5/26 and were signed on its behalf by:

  
 C Johnstone  
 Director

Jeanette Franklin MBE

Company registration number: 03816219

**Nuffield Orthopaedics Limited**  
**Statement of Cash Flows for the year ended 31 July 2025**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Net income (expenditure) for the year	(405,345)	(398,638)
Adjustments for:		
Depreciation	398,970	398,970
(Increase) / decrease in debtors	32,730	(14,610)
Increase / (decrease) in creditors	(232,245)	35,273
	<u>(205,890)</u>	<u>20,995</u>
<b>Cash generated by/(used in) operating activities</b>	<u>(205,890)</u>	<u>20,995</u>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	-	(34,839)
<b>Cash used in investing activities</b>	<u>-</u>	<u>(34,839)</u>
<b>Net cash used</b>		
Cash generated by/(used in) operating activities	<u>(205,890)</u>	<u>20,995</u>
Cash used in investing activities	-	(34,839)
<b>Net cash used</b>	<u>(205,890)</u>	<u>(13,844)</u>
Cash and cash equivalents at 1 August	263,911	277,755
Cash and cash equivalents at 31 July	<u>58,021</u>	<u>263,911</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u>58,021</u>	<u>263,911</u>
	<u>58,021</u>	<u>263,911</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2025**

**1 Summary of significant accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**Going concern**

The charity has cash resources and has no requirement for external funding to fund normal operating activities. The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

The directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Subsequent to the year end, the trustees entered into discussions regarding the possible future closure of the charity and cessation of activities. As these discussions commenced after the reporting date and do not relate to conditions existing at the balance sheet date, the trustees do not consider that this impacts the appropriateness of the going concern basis adopted in the preparation of these financial statements.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Fund accounting**

Unrestricted income funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

Restricted income funds are donations which the donor has specified are to be solely used for specific projects.

**Operating leases**

The charity classifies the lease of the land from the Oxford University Hospitals NHS Trust as an operating lease as the title to the land remains with the lessor. Rent payable is charged on a straight line basis over the term of the lease.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings within the statement of financial activities:

- Expenditure on charitable activities – The core activities of the charity.
- Governance costs - Costs are identified relating to the governance of the Charity being the costs associated with constitutional statutory requirements and costs associated with the strategic management of the Charity's activities.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2025**

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold - Botnar Phase 1	over 60 years
Long Leasehold - Botnar Phase 1a	over 53 years
Long Leasehold - Botnar Phase 2	over 50 years
Long Leasehold - Botnar Phase 3	over 40 years

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**2 Income**

Income from charitable activities:

	2025 £	2024 £
Rental Income	<u>161,976</u>	<u>162,729</u>
	161,976	162,729

Income from Investments:

	2025 £	2024 £
Interest received	<u>1,522</u>	<u>3,985</u>
	1,522	3,985

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2025**

**3 Expenditure**

Charitable activities:

	2025 £	2024 £
Lease payments	155,486	154,752
Sundry	376	-
Bank charges	48	95
Courier	-	102
Insurance	678	1,245
Depreciation	398,970	398,970
	555,558	555,164

Governance costs:

Auditor's remuneration	7,275	7,230
Accountancy fees	6,010	2,958
Other legal and professional	-	-
	13,285	10,188

**4 Trustee remuneration**

No directors, including the CEO received remuneration or other benefits during the year. There was £102 of accrued trustee expenses in the year that are yet to be reimbursed that were incurred by one trustee (2024: £102).

**5 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**6 Related parties**

The charity has a close relationship with the Nuffield Orthopaedic Centre Charity (NOCC) (charity number 1006509). NOCC provide the funding to enable the charity to carry out its charitable objectives through a Charitable Grant Agreement. In the year under review the charity did not receive any grants from NOCC (2024: £nil).

All four directors of the company are Trustees of Nuffield Orthopaedic Centre Charity.  
There were no disclosable related party transactions during the year.

**7 Operating leases**

**Lessee**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £309,505 (2024: £309,505). These expire in more than five years.

**Lessor**

At the reporting end date the charity had contracted with tenants for future minimum lease payments of £488,192 (2024: £488,192). These expire in more than five years.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2025**

**8 Tangible fixed assets**

<b>Cost or valuation</b>	<b>Land and Buildings – leasehold</b>	<b>Total</b>
	<b>At cost</b>	<b>£</b>
	<b>£</b>	
At 1 August 2024	18,347,810	18,347,810
Additions	-	-
Transfer	-	-
At 31 July 2025	<u>18,347,810</u>	<u>18,347,810</u>
<b>Depreciation</b>		
At 1 August 2024	3,396,619	3,396,619
Charge for the year	398,970	398,970
At 31 July 2025	<u>3,795,589</u>	<u>3,795,589</u>
<b>Carrying amount</b>		
At 31 July 2025	<u>14,552,221</u>	<u>14,552,221</u>
At 31 July 2024	<u>14,951,191</u>	<u>14,951,191</u>

<b>9 Debtors</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>675</u>	<u>33,405</u>

<b>10 Creditors: amounts falling due within one year</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,768	173,018
Accruals and deferred income	49,727	112,722
	<u>53,495</u>	<u>285,740</u>

<b>11 Deferred Income</b>		
Balance at the beginning of the year	22,948	
Amount released to income in the year	22,948	-
Amount deferred in the year	26,975	22,948
Balance at the year end	<u>26,975</u>	<u>22,948</u>

The deferred income relates to rental income for August and September 2025.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2025**

<b>12 Restricted income funds</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
At 1 August	14,962,767	15,361,405
Net income (expenditure) for the year	<u>(405,345)</u>	<u>(398,638)</u>
At 31 July	<u>14,557,422</u>	<u>14,962,767</u>

The restricted income funds are to be used for the provision of the Botnar Centre Research Institute.

**13 Presentation currency**

The financial statements are presented in Sterling. Monetary amounts in these financial statements are rounded to the nearest £.

**14 Legal form of entity and country of incorporation**

Nuffield Orthopaedics Limited is a private company limited by guarantee, incorporated in England as a company, and registered as a charity.

**15 Commitments**

On 4 June 2020 the company entered into a contract with Barnwood Construction Limited for the construction of Phase 3 of the Botnar Research Centre. The initial contract value was £7,389,635. Contract variations of £465,035 have subsequently been agreed. At 31 July 2025, costs incurred and included in the accounts were £7,854,670. The retention has now been paid. The balance falls due as follows:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Due within one year	-	15,000

**16 Principal place of business**

The address of the company's principal place of business is as follows:

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington Oxford OX3 7HE

**17 Post balance sheet events**

Following the year end, the trustees commenced discussions regarding the possible future closure of the charity and an orderly wind-down of activities. As the discussions do not relate to conditions existing at the reporting date, this has been treated as a non-adjusting post balance sheet event.

**NUFFIELD ORTHOPAEDICS LTD**

England & Wales - Charity number 1079354

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# Accounts

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Company registration number  
03816219

Nuffield Orthopaedics Limited

Trustees Report and Financial Statements

31 July 2024

*A registered charity with number: 1079354*

**Nuffield Orthopaedics Limited**  
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**Nuffield Orthopaedics Limited**  
**Company Information (this forms part of the annual trustees' report)**

**Trustees/Directors**

E D J Thomas  
Professor A J Carr (Resigned 18 October 2024)  
C R Dick (Resigned 3 October 2023)  
Mrs J Franklin  
C Johnstone  
P S Candy

**Secretary and Chief Executive Officer**

Mrs J Franklin

**Auditors**

Edwin Smith  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Bankers**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**Principal Office**

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington  
Oxford  
OX3 7HE

**Registered office**

25A Market Square  
Bicester  
Oxon  
Oxford  
OX26 6AD

**Company registration number**

03816219

**Charity registration number**

1079354 (England and Wales)

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2024**

**Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2024.

The directors are trustees for the purposes of the Charities Act 2011.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

**Our purposes and activities**

Nuffield Orthopaedics Limited is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association.

The Objects for which the charity is established are as follows:

To relieve sickness and physical disability and promote good health by supporting The Nuffield Orthopaedic Centre and in particular but without prejudice to the generality of the foregoing by assisting in the raising and provision of funds for new buildings facilities and equipment.

To advance research (and the dissemination of the useful results thereof) teaching and study of all aspects of muscular skeletal disorder for the public benefit.

**Achievements and performance**

Within the objects above the charity has built the Botnar Centre Research Institute within the confines of land leased from the Oxford University Hospitals NHS Trust, and in turn leased the buildings to the University of Oxford.

The buildings form a centre of excellence for the provision of research into diseases of the musculoskeletal system.

The Botnar Research Centre is famous throughout the world solely dedicated to research into Musculoskeletal health. Since its opening the Centre had developed into a world class research facility, bristling with talent and generating visionary science for the benefit of patients worldwide.

**Financial review**

The results for the year are given in the Statement of Financial Activities.

**Reserves Policy**

The charity's financial position is always secure, as no commitment is made for the erection of buildings without the funding being in place to complete the project. Operating costs are met from rentals received for the building. The reserves held at the year end amounted to a surplus of £14,962,767 (2023: surplus £15,361,405) and are used to meet the charity's objectives.

**Investment Policy**

No long-term investments are held other than the leasehold buildings, which have a sixty year lease with Oxford University. Short-term investments being cash at bank are to cover normal day-to-day transactions.

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2024**

**Risk Statement**

The directors assess at various intervals any risk to which the charity may be exposed, in particular those related to the operation of finances of the charity, and they are satisfied that systems are continuing to be in place to reduce any possible exposure to major risks, on an ongoing basis.

**Plans for future periods**

The charity has facilitated the construction of the first two phases of the Botnar Centre Research Institute. Work started on phase 3 in June 2020 and despite problems for the contractors with Covid sickness, the building work continued as planned. It was due to be completed by June 2021 but was completed by December 2021. Our Patron The Queen came and officially Opened Botnar 3 in 2022. The Directors and the University are pleased with the high standard of work.

The Botnar Research Centre is administered by the University of Oxford and the NOC Charity will not have any further involvement with the building or its upkeep.

Phase 3 cost no more than £9M with the retention sum due to be paid post year end. The funding for Botnar 3 came from The Nuffield Orthopaedic Centre Charity. There is no intention at all that the NOC Charity will be involved with any future for fund raising for building works.

The charity will continue to hold the leases for the buildings.

Already over 400 scientists and doctors are working and teaching with medical students coming from all over the World. It is an enormous success. Research activities continue into disease prevention, diagnosis, treatments and education in the field of Musculoskeletal health.

**Activities undertaken by the charity for the public benefit**

The directors consider that they have complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The charity has facilitated the construction of the Botnar Centre Research Institute so that groundbreaking research can be undertaken into Musculoskeletal disease.

**Structure, Governance and Management**

The company information given on page 1 forms part of this report and includes a full list of the directors, all of whom served throughout the year.

The day to day operation of the charity is delegated to the Chief Executive Officer (CEO). Operational decisions are then made by the CEO except where expenditure relates to a capital nature, which will require full Board approval.

Appointment of new directors is subject to the approval of the Board. Appointees are interviewed by the Chairman plus one other director, and are provided with full information about the charity before being invited to join the Board.

The Board meets at various intervals to administer the charity.

The Board members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise.

These systems should provide reasonable assurance that: -  
the charity is operating efficiently and effectively;  
- its assets are safeguarded against unauthorised use or disposition;

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2024**

- proper records are maintained and financial information used within the charity, or for publication, is reliable; and
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss

They include:-

- regular consideration by the Board of financial results, and
- delegation of authority and segregation of duties

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 20<sup>th</sup> June 2025 and signed on its behalf.



C Johnstone  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 July 2024**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinion**

We have audited the financial statements of Nuffield Orthopaedics Limited for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2024 and of its net income 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 of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 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 report and financial statements, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

- the directors' report and the strategic report included within the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees 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 and proper accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 directors either intend to liquidate the 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 is detailed below:

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

- We obtained an understanding of how the charitable company complies with these requirements by making enquiries with management and those charged with governance. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the charitable company has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override. Our audit procedures included testing manual journals, including segregation of duties.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

This description forms part of our auditor's report.

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Philip Nixon FCA  
(Senior Statutory Auditor)  
for and on behalf of

**Edwin Smith**  
**Accountants and Statutory Auditors**

23<sup>rd</sup> June 2025

32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Nuffield Orthopaedics Limited**

**Statement of Financial Activities (Income and Expenditure account) for the year ended 31 July 2024**

	<i>Restricted Income Fund</i>	<i>Total funds</i>
Notes	2024 £	2023 £
<b>Income:</b>		
Income from donations - grant from NOCC	-	150,000
Income from charitable activities - rents receivable	162,729	163,417
Income from Investment - bank interest receivable	3,985	2,000
<b>Total income</b>	<b>166,714</b>	<b>315,417</b>
<b>Expenditure:</b>		
Expenditure on charitable activities	555,164	554,720
Governance costs	10,188	10,900
<b>Total expenditure</b>	<b>565,352</b>	<b>565,620</b>
<b>Net income (expenditure)</b>	<b>(398,638)</b>	<b>(250,203)</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	15,361,405	15,611,608
<b>Total funds carried forward</b>	<b>14,962,767</b>	<b>15,361,405</b>

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

**Nuffield Orthopaedics Limited**  
**Statement of Financial Position as at 31 July 2024**

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	7	14,951,191	15,315,322
<b>Current assets</b>			
Debtors	8	33,405	18,795
Cash at bank and in hand		263,911	277,755
		<u>297,316</u>	<u>296,550</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(285,740)	(250,467)
		<u>11,576</u>	<u>46,083</u>
<b>Net current assets</b>		11,576	46,083
<b>Net assets</b>		<u>14,962,767</u>	<u>15,361,405</u>
<b>The funds of the charity</b>			
Restricted Income Funds	10	14,962,767	15,361,405
<b>Total charity funds</b>		<u>14,962,767</u>	<u>15,361,405</u>

The financial statements were approved by the Board and authorised for issue on 20<sup>th</sup> June 2025 and were signed on its behalf by:



.....  
**C. Johnstone**  
**Director**

Company registration number: 03816219

**Nuffield Orthopaedics Limited**  
**Statement of Cash Flows for the year ended 31 July 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Net income (expenditure) for the year	(398,638)	(250,203)
Adjustments for:		
Depreciation	398,970	398,054
(Increase) / decrease in debtors	(14,610)	8,642
Increase / (decrease) in creditors	35,273	97,853
	<u>20,995</u>	<u>254,346</u>
<b>Cash generated by/(used in) operating activities</b>	<u>20,995</u>	<u>254,346</u>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	(34,839)	(117,556)
<b>Cash used in investing activities</b>	<u>(34,839)</u>	<u>(117,556)</u>
<b>Net cash used</b>		
Cash generated by/(used in) operating activities	<u>20,995</u>	<u>254,346</u>
Cash used in investing activities	<u>(34,839)</u>	<u>(117,556)</u>
<b>Net cash used</b>	<u>(13,844)</u>	<u>136,790</u>
Cash and cash equivalents at 1 August	<u>277,755</u>	<u>140,965</u>
Cash and cash equivalents at 31 July	<u>263,911</u>	<u>277,755</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u>263,911</u>	<u>277,755</u>
	<u>263,911</u>	<u>277,755</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2024**

**1 Summary of significant accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**Going concern**

The charity has cash resources and has no requirement for external funding to fund normal operating activities. The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

The directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Fund accounting**

Unrestricted income funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

Restricted income funds are donations which the donor has specified are to be solely used for specific projects.

**Operating leases**

The charity classifies the lease of the land from the Oxford University Hospitals NHS Trust as an operating lease as the title to the land remains with the lessor. Rent payable is charged on a straight line basis over the term of the lease.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings within the statement of financial activities:

- Expenditure on charitable activities – The core activities of the charity.
- Governance costs - Costs are identified relating to the governance of the Charity being the costs associated with constitutional statutory requirements and costs associated with the strategic management of the Charity's activities.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2024**

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold - Botnar Phase 1	over 60 years
Long Leasehold - Botnar Phase 1a	over 53 years
Long Leasehold - Botnar Phase 2	over 50 years
Long Leasehold - Botnar Phase 3	over 40 years

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**2 Income**

Income from Donations and gifts:

	2024 £	2023 £
Grant from NOCA	-	150,000
	-	150,000

Income from charitable activities:

	2024 £	2023 £
Rental Income	162,729	163,417
	162,729	163,417

Income from Investments:

	2024 £	2023 £
Interest received	3,985	2,000
	3,985	2,000

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2024**

**3 Expenditure**

Charitable activities:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Lease payments	154,752	154,753
Botnar 3 opening & portrait donation	-	-
Bank charges	95	60
Courier	102	
Insurance	1,245	1,853
Depreciation	398,970	398,054
	<u>555,164</u>	<u>554,720</u>

Governance costs:

Auditor's remuneration

Accountancy fees

Other legal and professional

7,230	7,980
2,958	2,920
-	-
<u>10,188</u>	<u>10,900</u>

**4 Trustee remuneration**

No directors, including the CEO received remuneration or other benefits during the year. There was £102 of accrued trustee expenses in the year that are yet to be reimbursed that were incurred by one trustee (2023: £nil).

**5 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**6 Related parties**

The charity has a close relationship with the Nuffield Orthopaedic Centre Charity (NOCC) (charity number 1006509). NOCC provide the funding to enable the charity to carry out its charitable objectives through a Charitable Grant Agreement. In the year under review the charity did not receive any grants from NOCC (2023: £150,000).

All five directors of the company are Trustees of Nuffield Orthopaedic Centre Charity.

**7 Operating leases**

**Lessee**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £309,505 (2023: £309,505). These expire in more than five years.

**Lessor**

At the reporting end date the charity had contracted with tenants for future minimum lease payments of £488,192 (2023 £488,192). These expire in more than five years.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2024**

**8 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Total</b>
	At cost	
<b>Cost or valuation</b>	£	£
At 1 August 2023	18,312,971	18,312,971
Additions	34,839	34,839
Transfer	-	-
At 31 July 2024	<u>18,347,810</u>	<u>18,347,810</u>
<b>Depreciation</b>		
At 1 August 2023	2,997,649	2,997,649
Charge for the year	398,970	398,970
At 31 July 2024	<u>3,396,619</u>	<u>3,396,619</u>
<b>Carrying amount</b>		
At 31 July 2024	<u>14,951,191</u>	<u>14,951,191</u>
At 31 July 2023	<u>15,315,322</u>	<u>15,315,322</u>

<b>9 Debtors</b>	<b>2024</b>	<b>2023</b>
	£	£
Other debtors	<u>33,405</u>	<u>18,795</u>

<b>10 Creditors: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	£	£
Trade creditors	173,018	121,741
Accruals and deferred income	112,722	128,726
	<u>285,740</u>	<u>250,467</u>

<b>11 Deferred Income</b>		
Balance at the beginning of the year	-	-
Amount released to income in the year	-	-
Amount deferred in the year	22,948	-
Balance at the year end	<u>22,948</u>	-

The deferred income relates to rental income for August and September 2024.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2024**

<b>12 Restricted income funds</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
At 1 August	15,361,405	15,611,608
Net income (expenditure) for the year	<u>(398,638)</u>	<u>(250,203)</u>
At 31 July	<u>14,962,767</u>	<u>15,361,405</u>

The restricted income funds are to be used for the provision of the Botnar Centre Research Institute.

**13 Presentation currency**

The financial statements are presented in Sterling. Monetary amounts in these financial statements are rounded to the nearest £.

**14 Legal form of entity and country of incorporation**

Nuffield Orthopaedics Limited is a private company limited by guarantee, incorporated in England as a company, and registered as a charity.

**15 Commitments**

On 4 June 2020 the company entered into a contract with Barnwood Construction Limited for the construction of Phase 3 of the Botnar Research Centre. The initial contract value was £7,389,635. Contract variations of £465,035 have subsequently been agreed. At 31 July 2024 costs incurred and included in the accounts was £7,839,670. The balance falls due as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Due within one year	15,000	-
Due within 2 and 5 years	-	-

**16 Principal place of business**

The address of the company's principal place of business is as follows:

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington Oxford OX3 7HE

**NUFFIELD ORTHOPAEDICS LTD**

England & Wales - Charity number 1079354

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# Accounts

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Company registration number  
03816219

Nuffield Orthopaedics Limited

Trustees Report and Financial Statements

31 July 2023

*A registered charity with number: 1079354*

**Nuffield Orthopaedics Limited**  
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**Nuffield Orthopaedics Limited**  
**Company Information (this forms part of the annual trustees' report)**

**Trustees/Directors**

E D J Thomas  
Professor A J Carr  
C R Dick (Resigned 3 October 2023)  
Mrs J Franklin  
C Johnstone  
P S Candy

**Secretary and Chief Executive Officer**

Mrs J Franklin

**Auditors**

Edwin Smith  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Bankers**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**Principal Office**

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington  
Oxford  
OX3 7HE

**Registered office**

25A Market Square  
Bicester  
Oxon  
Oxford  
OX26 6AD

**Company registration number**

03816219

**Charity registration number**

1079354 (England and Wales)

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2023**

## **Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2023.

The directors are trustees for the purposes of the Charities Act 2011.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

## **Our purposes and activities**

Nuffield Orthopaedics Limited is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association.

The Objects for which the charity is established are as follows:

To relieve sickness and physical disability and promote good health by supporting The Nuffield Orthopaedic Centre and in particular but without prejudice to the generality of the foregoing by assisting in the raising and provision of funds for new buildings facilities and equipment.

To advance research (and the dissemination of the useful results thereof) teaching and study of all aspects of muscular skeletal disorder for the public benefit.

## **Achievements and performance**

Within the objects above the charity has built the Botnar Centre Research Institute within the confines of land leased from the Oxford University Hospitals NHS Trust, and in turn leased the buildings to the University of Oxford.

The buildings form a centre of excellence for the provision of research into diseases of the musculoskeletal system.

## **Financial review**

The results for the year are given in the Statement of Financial Activities.

### **Reserves Policy**

The charity's financial position is always secure, as no commitment is made for the erection of buildings without the funding being in place to complete the project. Operating costs are met from rentals received for the building. The reserves held at the year end amounted to a surplus of £15,361,405 (2022: surplus £15,611,608) and are used to meet the charity's objectives.

### **Investment Policy**

No long-term investments are held other than the leasehold buildings, which have a sixty year lease with Oxford University. Short-term investments being cash at bank are to cover normal day-to-day transactions.

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2023**

**Risk Statement**

The directors assess at various intervals any risk to which the charity may be exposed, in particular those related to the operation of finances of the charity, and they are satisfied that systems are continuing to be in place to reduce any possible exposure to major risks, on an ongoing basis.

**Plans for future periods**

The charity has facilitated the construction of the first two phases of the Botnar Centre Research Institute. Work started on phase 3 in June 2020 and despite problems for the contractors with Covid sickness, the building work continued as planned. It was due to be completed by June 2021 but was delayed to December 2021. The Directors and the University are pleased with the high standard of works.

Phase 3 is expected to cost no more than £9M with 10% of funding reserved for the retention sum due to be paid at the end of 12 months. The funding for Botnar 3 will come from The Nuffield Orthopaedic Centre Charity in due course as per the first two phases.

The charity will continue to hold the leases for the buildings.

**Activities undertaken by the charity for the public benefit**

The directors consider that they have complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The charity has facilitated the construction of the Botnar Centre Research Institute so that groundbreaking research can be undertaken into Musculoskeletal disease.

**Structure, Governance and Management**

The company information given on page 1 forms part of this report and includes a full list of the directors, all of whom served throughout the year.

The day to day operation of the charity is delegated to the Chief Executive Officer (CEO). Operational decisions are then made by the CEO except where expenditure relates to a capital nature, which will require full Board approval.

Appointment of new directors is subject to the approval of the Board. Appointees are interviewed by the Chairman plus one other director, and are provided with full information about the charity before being invited to join the Board.

The Board meets at various intervals to administer the charity.

The Board members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise.

These systems should provide reasonable assurance that: -  
the charity is operating efficiently and effectively;

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity, or for publication, is reliable; and
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss

They include:-

- regular consideration by the Board of financial results, and
- delegation of authority and segregation of duties.

**Nuffield Orthopaedics Limited**  
Company registration number: 03816219

**Trustees' annual report including directors' report**  
**For the year ended 31 July 2023**

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on ~~30 September~~<sup>2024</sup>..... and signed on its behalf.

  
C Johnstone  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 July 2023**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinion**

We have audited the financial statements of Nuffield Orthopaedics Limited for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its net income 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 of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 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 report and financial statements, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

- the directors' report and the strategic report included within the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees 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 and proper accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 directors either intend to liquidate the 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 is detailed below:

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

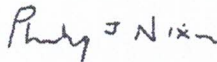
- We obtained an understanding of how the charitable company complies with these requirements by making enquiries with management and those charged with governance. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the charitable company has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override. Our audit procedures included testing manual journals, including segregation of duties.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

This description forms part of our auditor's report.

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Philip Nixon FCA  
(Senior Statutory Auditor)

for and on behalf of

**Edwin Smith**

**Accountants and Statutory Auditors**

...30<sup>th</sup> September 2024.....

32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Nuffield Orthopaedics Limited****Statement of Financial Activities (Income and Expenditure account) for the year ended 31 July 2023**


	<i>Restricted Income Fund</i>	<i>Total funds</i>
Notes	2023 £	2022 £
<b>Income:</b>		
Income from donations - grant from NOCC	150,000	-
Income from charitable activities - rents receivable	163,417	150,702
Income from Investment - bank interest receivable	2,000	71
<b>Total income</b>	<b>315,417</b>	<b>150,773</b>
<b>Expenditure:</b>		
Expenditure on charitable activities	554,720	464,768
Governance costs	10,900	7,026
<b>Total expenditure</b>	<b>565,620</b>	<b>471,794</b>
<b>Net income (expenditure)</b>	<b>(250,203)</b>	<b>(321,021)</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	15,611,608	15,932,629
<b>Total funds carried forward</b>	<b>15,361,405</b>	<b>15,611,608</b>

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

**Nuffield Orthopaedics Limited**  
**Statement of Financial Position as at 31 July 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	7	15,315,322	15,595,820
<b>Current assets</b>			
Debtors	8	18,795	27,437
Cash at bank and in hand		277,755	140,965
		<u>296,550</u>	<u>168,402</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(250,467)	(152,614)
		<u>46,083</u>	<u>15,788</u>
<b>Net current assets</b>		<u>46,083</u>	<u>15,788</u>
<b>Net assets</b>		<u>15,361,405</u>	<u>15,611,608</u>
<b>The funds of the charity</b>			
Restricted Income Funds	10	15,361,405	15,611,608
<b>Total charity funds</b>		<u>15,361,405</u>	<u>15,611,608</u>

The financial statements were approved by the Board and authorised for issue on 30/09/2024 and were signed on its behalf by:

  
 .....  
 C. Johnstone  
 Director

Company registration number: 03816219

**Nuffield Orthopaedics Limited**  
**Statement of Cash Flows for the year ended 31 July 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Net income (expenditure) for the year	(250,203)	(321,021)
Adjustments for:		
Depreciation	398,054	300,985
(Increase) / decrease in debtors	8,642	141,890
Increase / (decrease) in creditors	97,853	(345,222)
	<u>254,346</u>	<u>(223,368)</u>
<b>Cash generated by/(used in) operating activities</b>	<u>254,346</u>	<u>(223,368)</u>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	<u>(117,556)</u>	<u>(276,078)</u>
<b>Cash used in investing activities</b>	<u>(117,556)</u>	<u>(276,078)</u>
<b>Net cash used</b>		
Cash generated by/(used in) operating activities	<u>254,346</u>	<u>(223,368)</u>
Cash used in investing activities	<u>(117,556)</u>	<u>(276,078)</u>
<b>Net cash used</b>	136,790	(499,446)
Cash and cash equivalents at 1 August	140,965	640,411
Cash and cash equivalents at 31 July	<u>277,755</u>	<u>140,965</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>277,755</u>	<u>140,965</u>
	<u>277,755</u>	<u>140,965</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2023**

**1 Summary of significant accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**Going concern**

The charity has cash resources and has no requirement for external funding to fund normal operating activities. The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Fund accounting**

Unrestricted income funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

Restricted income funds are donations which the donor has specified are to be solely used for specific projects.

**Operating leases**

The charity classifies the lease of the land from the Oxford University Hospitals NHS Trust as an operating lease as the title to the land remains with the lessor. Rent payable is charged on a straight line basis over the term of the lease.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold - Botnar Phase 1	over 60 years
Long Leasehold - Botnar Phase 1a	over 53 years
Long Leasehold - Botnar Phase 2	over 50 years
Long Leasehold - Botnar Phase 3	over 40 years

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2023**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**2 Income**

Income from Donations and gifts:

	2023 £	2022 £
Grant from NOCA	150,000	-
	<u>150,000</u>	<u>-</u>

Income from charitable activities:

	2023 £	2022 £
Rental Income	163,417	150,702
	<u>163,417</u>	<u>150,702</u>

Income from Investments:

	2023 £	2022 £
Interest received	2,000	71
	<u>2,000</u>	<u>71</u>

**3 Expenditure**

Charitable activities:

	2023 £	2022 £
Lease payments	154,753	144,632
Botnar 3 opening & portrait donation	-	18,019
Bank charges	60	80
Insurance	1,853	1,052
Depreciation	398,054	300,985
	<u>554,720</u>	<u>464,768</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2023**

**Expenditure (continued)**

Governance costs:

Auditor's remuneration	7,980	4,530
Accountancy fees	2,920	2,496
Other legal and professional	-	-
	<u>10,900</u>	<u>7,026</u>

**4 Trustee remuneration**

No directors, including the CEO received remuneration or other benefits or were reimbursed expenses during the year. (2022: £nil)

**5 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**6 Related parties**

The charity has a close relationship with the Nuffield Orthopaedic Centre Charity (NOCC) (charity number 1006509). NOCC provide the funding to enable the charity to carry out its charitable objectives through a Charitable Grant Agreement. In the year under review the charity received grants of £150,000 from NOCC (2022: £nil).

All six directors of the company are Trustees of Nuffield Orthopaedic Centre Charity.

**7 Operating leases**

**Lessee**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £309,505 (2022: £309,505). These expire in more than five years.

**Lessor**

At the reporting end date the charity had contracted with tenants for future minimum lease payments of £488,192 (2022 £488,192). These expire in more than five years.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2023**

**8 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Total</b>
	At cost	
	£	£
<b>Cost or valuation</b>		
At 1 August 2022	18,195,415	18,195,415
Additions	117,556	117,556
Transfer	-	-
At 31 July 2023	<u>18,312,971</u>	<u>18,312,971</u>
<b>Depreciation</b>		
At 1 August 2022	2,599,595	2,599,595
Charge for the year	398,054	398,054
At 31 July 2023	<u>2,997,649</u>	<u>2,997,649</u>
<b>Carrying amount</b>		
At 31 July 2023	<u>15,315,322</u>	<u>15,315,322</u>
At 31 July 2022	<u>15,595,820</u>	<u>15,595,820</u>

<b>9 Debtors</b>	<b>2023</b>	<b>2022</b>
	£	£
Other debtors	<u>18,795</u>	<u>27,437</u>
<b>10 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Trade creditors	121,741	116,686
Accruals and deferred income	<u>128,726</u>	<u>35,928</u>
	<u>250,467</u>	<u>152,614</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2023**

	2023 £	2022 £
<b>11 Restricted income funds</b>		
At 1 August	15,611,608	15,932,629
Net income (expenditure) for the year	<u>(250,203)</u>	<u>(321,021)</u>
At 31 July	<u>15,361,405</u>	<u>15,611,608</u>

The restricted income funds are to be used for the provision of the Botnar Centre Research Institute.

**12 Presentation currency**

The financial statements are presented in Sterling.

**13 Legal form of entity and country of incorporation**

Nuffield Orthopaedics Limited is a private company limited by guarantee, incorporated in England as a company, and registered as a charity.

**14 Commitments**

On 4 June 2020 the company entered into a contract with Barnwood Construction Limited for the construction of Phase 3 of the Botnar Research Centre. The initial contract value was £7,389,635. Contract variations of £437,657 have subsequently been agreed. At 31 July 2023 costs incurred and included in the accounts was £7,827,292. The balance falls due as follows:

	2023 £	2022 £
Due within one year	-	36,064
Due within 2 and 5 years	-	-

**15 Principal place of business**

The address of the company's principal place of business is as follows:

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington Oxford OX3 7HE

**Nuffield Orthopaedics Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Grants from NOCC	150,000	-
Rents receivable	163,417	150,702
Interest receivable	2,000	71
	<u>315,417</u>	<u>150,773</u>
<b>Expenditure</b>		
<b>Charitable activities</b>		
Premises costs:		
Rent	154,753	144,632
Opening	-	1,669
Donation	-	16,350
	<u>154,753</u>	<u>162,651</u>
General administrative expenses:		
Bank charges	60	80
Insurance	1,853	1,052
Depreciation	398,054	300,985
	<u>399,967</u>	<u>302,117</u>
	<u>554,720</u>	<u>464,768</u>
<b>Total</b>		
<b>Governance costs</b>		
Legal and professional costs:		
Accountancy fees	2,920	2,496
Auditors remuneration	7,980	4,530
Solicitors fees	-	-
Other legal and professional	-	-
	<u>10,900</u>	<u>7,026</u>
	<u>565,620</u>	<u>471,794</u>

**NUFFIELD ORTHOPAEDICS LTD**

England & Wales - Charity number 1079354

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# Accounts

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Company registration number  
03816219

Nuffield Orthopaedics Limited

Trustees Report and Financial Statements

31 July 2022

*A registered charity with number: 1079354*

**Nuffield Orthopaedics Limited**  
**Company Information (this forms part of the annual directors' report)**

**Trustees/Directors**

E D J Thomas  
Professor A J Carr  
C R Dick  
Mrs J Franklin  
C Johnstone  
P S Candy

**Secretary and Chief Executive Officer**

Mrs J Franklin

**Auditors**

Edwin Smith  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Bankers**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**Principal Office**

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington  
Oxford  
OX3 7HE

**Registered office**

25A Market Square  
Bicester  
Oxon  
Oxford  
OX26 6AD

**Company registration number**

03816219

**Charity registration number**

1079354 (England and Wales)

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

## **Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2022.

The directors are trustees for the purposes of the Charities Act 2011.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

### **STRATEGIC REPORT**

#### **Our purposes and activities**

Nuffield Orthopaedics Limited is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association.

The Objects for which the charity is established are as follows:

To relieve sickness and physical disability and promote good health by supporting The Nuffield Orthopaedic Centre and in particular but without prejudice to the generality of the foregoing by assisting in the raising and provision of funds for new buildings facilities and equipment.

To advance research (and the dissemination of the useful results thereof) teaching and study of all aspects of muscular skeletal disorder for the public benefit.

#### **Achievements and performance**

Within the objects above the charity has built the Botnar Centre Research Institute within the confines of land leased from the Oxford University Hospitals NHS Trust, and in turn leased the buildings to the University of Oxford.

The buildings form a centre of excellence for the provision of research into diseases of the musculoskeletal system.

#### **Financial review**

The results for the year are given in the Statement of Financial Activities.

##### **Reserves Policy**

The charity's financial position was always secure, as no commitment is made for the erection of buildings without the funding being in place to complete the project. Operating costs are met from rentals received for the building.

##### **Investment Policy**

No long-term investments are held other than the leasehold buildings, which have a sixty year lease with Oxford University. Short-term investments being cash at bank are to cover normal day-to-day transactions.

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

## **Directors' Report**

### **Risk Statement**

The directors assess at various intervals any risk to which the charity may be exposed, in particular those related to the operation of finances of the charity, and they are satisfied that systems are continuing to be in place to reduce any possible exposure to major risks, on an ongoing basis.

### **Plans for future periods**

The charity has facilitated the construction of the first two phases of the Botnar Centre Research Institute. Work started on phase 3 in June 2021 and despite problems for the contractors with Covid sickness, the building work continued as planned. It was due to be completed by June 2022 but was delayed to December 2022. The Directors and the University are pleased with the high standard of works.

Phase 3 is expected to cost no more than £9M with 10% of funding reserved for the retention sum due to be paid at the end of 12 months. The funding for Botnar 3 will come from The Nuffield Orthopaedic Centre Charity in due course as per the first two phases.

The charity will continue to hold the leases for the buildings.

### **Activities undertaken by the charity for the public benefit**

The directors consider that they have complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The charity has facilitated the construction of the Botnar Centre Research Institute so that groundbreaking research can be undertaken into Musculoskeletal disease.

### **Structure, Governance and Management**

The company information given on page 1 forms part of this report and includes a full list of the directors, all of whom served throughout the year.

The day to day operation of the charity is delegated to the Chief Executive Officer (CEO). Operational decisions are then made by the CEO except where expenditure relates to a capital nature, which will require full Board approval.

Appointment of new directors is subject to the approval of the Board. Appointees are interviewed by the Chairman plus one other director, and are provided with full information about the charity before being invited to join the Board.

The Board meets at various intervals to administer the charity.

The Board members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise.

These systems should provide reasonable assurance that: -  
the charity is operating efficiently and effectively;  
- its assets are safeguarded against unauthorised use or disposition;  
- proper records are maintained and financial information used within the charity, or for publication, is reliable; and  
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss

They include:-

- regular consideration by the Board of financial results, and
- delegation of authority and segregation of duties.

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

## **Directors' Report**

### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 9 October 2023 and signed on its behalf.

C Johnstone  
Director

## **Nuffield Orthopaedics Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinion**

We have audited the financial statements of Nuffield Orthopaedics Limited for the year ended 31 July 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its net income 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 of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 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 report and financial statements, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

- the directors' report and the strategic report included within the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees 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 and proper accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 directors either intend to liquidate the 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 is detailed below:

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

- We obtained an understanding of how the charitable company complies with these requirements by making enquiries with management and those charged with governance. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the charitable company has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override. Our audit procedures included testing manual journals, including segregation of duties.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

This description forms part of our auditor's report.

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Philip Nixon FCA  
(Senior Statutory Auditor)

24 October 2023

for and on behalf of

**Edwin Smith**  
**Accountants and Statutory Auditors**

32 Queens Road  
Reading  
Berkshire  
RG1 4AU

## Nuffield Orthopaedics Limited

### Statement of Financial Activities (Income and Expenditure account) for the year ended 31 July 2022

	<i>Restricted Income Fund</i>	<i>Total funds</i>
Notes	2022	2021
	£	£
<b>Income:</b>		
Income from donations - grant from NOCC	-	7,372,089
Income from charitable activities - rents receivable	150,702	138,439
Income from Investment - bank interest receivable	71	69
<b>Total income</b>	<u>150,773</u>	<u>7,510,597</u>
<b>Expenditure:</b>		
Expenditure on charitable activities	464,768	302,170
Governance costs	7,026	6,909
<b>Total expenditure</b>	<u>471,794</u>	<u>309,079</u>
<b>Net income (expenditure)</b>	(321,021)	7,201,518
<b>Reconciliation of funds:</b>		
Total funds brought forward	15,932,629	8,731,111
<b>Total funds carried forward</b>	<u>15,611,608</u>	<u>15,932,629</u>

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

**Nuffield Orthopaedics Limited****Statement of Financial Position as at 31 July 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	7	15,595,820	15,620,727
<b>Current assets</b>			
Debtors	8	27,437	169,327
Cash at bank and in hand		140,965	640,411
		<u>168,402</u>	<u>809,738</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(152,614)	(497,836)
		<u>15,788</u>	<u>311,902</u>
<b>Net current assets</b>		15,788	311,902
<b>Net assets</b>		<u>15,611,608</u>	<u>15,932,629</u>
<b>The funds of the charity</b>			
Restricted Income Funds	10	15,611,608	15,932,629
<b>Total charity funds</b>		<u>15,611,608</u>	<u>15,932,629</u>

The financial statements were approved by the Board and authorised for issue on 9 October 2023 and were signed on its behalf by:

C Johnstone  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Cash Flows for the year ended 31 July 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Net income (expenditure) for the year	(321,021)	7,201,518
Adjustments for:		
Depreciation	300,985	169,308
(Increase) / decrease in debtors	141,890	110,818
Increase / (decrease) in creditors	(345,222)	(276,248)
	<u>(223,368)</u>	<u>7,205,396</u>
<b>Cash generated by/(used in) operating activities</b>	<u>(223,368)</u>	<u>7,205,396</u>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	(276,078)	(6,897,532)
<b>Cash used in investing activities</b>	<u>(276,078)</u>	<u>(6,897,532)</u>
<b>Net cash used</b>		
Cash generated by/(used in) operating activities	<u>(223,368)</u>	<u>7,205,396</u>
Cash used in investing activities	<u>(276,078)</u>	<u>(6,897,532)</u>
<b>Net cash used</b>	<u>(499,446)</u>	<u>307,864</u>
Cash and cash equivalents at 1 August	640,411	332,547
Cash and cash equivalents at 31 July	<u>140,965</u>	<u>640,411</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>140,965</u>	<u>640,111</u>
	<u>140,965</u>	<u>640,411</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2022**

**1 Summary of significant accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**Going concern**

The charity has cash resources and has no requirement for external funding to fund normal operating activities. The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Fund accounting**

Unrestricted income funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

Restricted income funds are donations which the donor has specified are to be solely used for specific projects.

**Operating leases**

The charity classifies the lease of the land from the Oxford University Hospitals NHS Trust as an operating lease as the title to the land remains with the lessor. Rent payable is charged on a straight line basis over the term of the lease.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold - Botnar Phase 1	over 60 years
Long Leasehold - Botnar Phase 1a	over 53 years
Long Leasehold - Botnar Phase 2	over 50 years
Long Leasehold - Botnar Phase 3	over 40 years

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2022**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

<b>2 Expenditure</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Charitable activities:		
Lease payments	144,632	130,464
Botnar 3 opening & portrait donation	18,019	-
Bank charges	80	33
Insurance	1,052	2,365
Depreciation	300,985	169,308
	<u>464,768</u>	<u>302,170</u>
Governance costs:		
Auditor's remuneration	4,530	4,850
Accountancy fees	2,496	2,046
Other legal and professional	-	13
	<u>7,026</u>	<u>6,909</u>

**3 Trustee remuneration**

No directors, including the CEO received remuneration or other benefits or were reimbursed expenses during the year. (2021: £nil)

**4 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**5 Related parties**

The charity has a close relationship with the Nuffield Orthopaedic Centre Charity (NOCC) (charity number 1006509). NOCC provide the funding to enable the charity to carry out its charitable objectives through a Charitable Grant Agreement. In the year under review the charity received grants of £nil from NOCC (2021: £7,372,089).

All six directors of the company are Trustees of Nuffield Orthopaedic Centre Charity.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2022**

**6 Operating leases**

**Lessee**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £309,505 (2021: £260,924). These expire in more than five years.

**Lessor**

At the reporting end date the charity had contracted with tenants for future minimum lease payments of £488,192 (2021 £415,320). These expire in more than five years.

**7 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Asset under construction</b>	<b>Total</b>
	At cost	At cost	
	£	£	£
<b>Cost or valuation</b>			
At 1 August 2021	9,166,158	8,753,179	17,919,337
Additions	-	276,078	276,078
Transfer	9,029,257	(9,029,257)	-
At 31 July 2022	<u>18,195,415</u>	<u>-</u>	<u>18,195,415</u>
<b>Depreciation</b>			
At 1 August 2021	2,298,610	-	2,298,610
Charge for the year	300,985	-	300,985
At 31 July 2022	<u>2,599,595</u>	<u>-</u>	<u>2,599,595</u>
<b>Carrying amount</b>			
At 31 July 2022	<u>15,595,820</u>	<u>-</u>	<u>15,595,820</u>
At 31 July 2021	<u>6,867,548</u>	<u>8,753,179</u>	<u>15,620,727</u>

**8 Debtors**

	<b>2022</b>	<b>2021</b>
	£	£
Other debtors	<u>27,437</u>	<u>169,327</u>

**9 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	116,686	401,696
Accruals and deferred income	35,928	96,140
	<u>152,614</u>	<u>497,836</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2022**

<b>10 Restricted income funds</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 August	15,932,629	8,731,111
Net income (expenditure) for the year	(321,021)	7,201,518
At 31 July	<u>15,611,608</u>	<u>15,932,629</u>

The restricted income funds are to be used for the provision of the Botnar Centre Research Institute.

**11 Presentation currency**

The financial statements are presented in Sterling.

**12 Legal form of entity and country of incorporation**

Nuffield Orthopaedics Limited is a private company limited by guarantee, incorporated in England as a company, and registered as a charity.

**13 Commitments**

On 4 June 2020 the company entered into a contract with Barnwood Construction Limited for the construction of Phase 3 of the Botnar Research Centre. The initial contract value was £7,389,635. Contract variations of £437,657 have subsequently been agreed. At 31 July 2022 costs incurred and included in the accounts was £7,791,228. The balance falls due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Due within one year	36,064	213,133
Due within 2 and 5 years	-	36,064

**14 Principal place of business**

The address of the company's principal place of business is as follows:

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington Oxford OX3 7HE

**Nuffield Orthopaedics Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Grants from NOCC	-	7,372,089
Rents receivable	150,702	138,439
Interest receivable	71	69
	<u>150,773</u>	<u>7,510,597</u>
<b>Expenditure</b>		
<b>Charitable activities</b>		
Premises costs:		
Rent	144,632	130,464
Opening	1,669	-
Donation	16,350	-
	<u>162,651</u>	<u>130,464</u>
General administrative expenses:		
Bank charges	80	33
Insurance	1,052	2,365
Depreciation	300,985	169,308
	<u>302,117</u>	<u>171,706</u>
<b>Total</b>	<u>464,768</u>	<u>302,170</u>
<b>Governance costs</b>		
Legal and professional costs:		
Accountancy fees	2,496	2,046
Auditors remuneration	4,530	4,850
Solicitors fees	-	-
Other legal and professional	-	13
	<u>7,026</u>	<u>6,909</u>
	<u>471,794</u>	<u>309,079</u>

**NUFFIELD ORTHOPAEDICS LTD**

England & Wales - Charity number 1079354

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# Accounts

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Company registration number  
03816219

Nuffield Orthopaedics Limited

Trustees Report and Financial Statements

31 July 2021

*A registered charity with number: 1079354*

**Nuffield Orthopaedics Limited**  
**Company Information (this forms part of the annual directors' report)**

**Trustees/Directors**

E D J Thomas  
Professor A J Carr  
C R Dick  
Mrs J Franklin  
C Johnstone  
P S Candy

**Secretary and Chief Executive Officer**

Mrs J Franklin

**Auditors**

Edwin Smith  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Bankers**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**Principal Office**

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington  
Oxford  
OX3 7HE

**Registered office**

25A Market Square  
Bicester  
Oxon  
Oxford  
OX26 6AD

**Company registration number**

03816219

**Charity registration number**

1079354 (England and Wales)

**Nuffield Orthopaedics Limited**  
Company registration number: 03816219

## **Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2021.

The directors are trustees for the purposes of the Charities Act 2011.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

## **STRATEGIC REPORT**

### **Our purposes and activities**

Nuffield Orthopaedics Limited is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association.

The Objects for which the charity is established are as follows:

To relieve sickness and physical disability and promote good health by supporting The Nuffield Orthopaedic Centre and in particular but without prejudice to the generality of the foregoing by assisting in the raising and provision of funds for new buildings facilities and equipment.

To advance research (and the dissemination of the useful results thereof) teaching and study of all aspects of muscular skeletal disorder for the public benefit.

### **Achievements and performance**

Within the objects above the charity has built the Botnar Centre Research Institute within the confines of land leased from the Oxford University Hospitals NHS Trust, and in turn leased the buildings to the University of Oxford.

The buildings form a centre of excellence for the provision of research into diseases of the musculoskeletal system.

### **Financial review**

The results for the year are given in the Statement of Financial Activities.

#### **Reserves Policy**

The charity's financial position was always secure, as no commitment is made for the erection of buildings without the funding being in place to complete the project. Operating costs are met from rentals received for the building.

#### **Investment Policy**

No long-term investments are held other than the leasehold buildings, which have a sixty year lease with Oxford University. Short-term investments being cash at bank are to cover normal day-to-day transactions.

**Nuffield Orthopaedics Limited**  
**Company registration number: 03816219**

## **Directors' Report**

### **Risk Statement**

The directors assess at various intervals any risk to which the charity may be exposed, in particular those related to the operation of finances of the charity, and they are satisfied that systems are continuing to be in place to reduce any possible exposure to major risks, on an ongoing basis.

### **Plans for future periods**

The charity has facilitated the construction of the first two phases of the Botnar Centre Research Institute. Work started on phase 3 in June 2020 and despite problems for the contractors with Covid sickness, the building work continued as planned. It was due to be completed by June 2021 but was delayed to December 2021. The Directors and the University are pleased with the high standard of works.

Phase 3 is expected to cost no more than £9M with 10% of funding reserved for the retention sum due to be paid at the end of 12 months. The funding for Botnar 3 will come from The Nuffield Orthopaedic Centre Charity in due course as per the first two phases.

The charity will continue to hold the leases for the buildings.

### **Activities undertaken by the charity for the public benefit**

The directors consider that they have complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The charity has facilitated the construction of the Botnar Centre Research Institute so that groundbreaking research can be undertaken into Musculoskeletal disease.

### **Structure, Governance and Management**

The company information given on page 1 forms part of this report and includes a full list of the directors, all of whom served throughout the year.

The day to day operation of the charity is delegated to the Chief Executive Officer (CEO). Operational decisions are then made by the CEO except where expenditure relates to a capital nature, which will require full Board approval.

Appointment of new directors is subject to the approval of the Board. Appointees are interviewed by the Chairman plus one other director, and are provided with full information about the charity before being invited to join the Board.

The Board meets at various intervals to administer the charity.

The Board members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise.

These systems should provide reasonable assurance that: -  
the charity is operating efficiently and effectively;  
- its assets are safeguarded against unauthorised use or disposition;  
- proper records are maintained and financial information used within the charity, or for publication, is reliable; and  
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss

They include:-

- regular consideration by the Board of financial results, and  
- delegation of authority and segregation of duties.

Nuffield Orthopaedics Limited  
Company registration number: 03816219

## Directors' Report

### Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

x

This report was approved by the board on 25 July 2022 and signed on its behalf.

*E D J Thomas*

E D J Thomas  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinion**

We have audited the financial statements of Nuffield Orthopaedics Limited for the year ended 31 July 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 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 report and financial statements, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

- the directors' report and the strategic report included within the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or strategic report included within the trustees 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 and proper accounting records have not been kept; 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.

**Responsibilities of trustees**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 directors either intend to liquidate the 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 is detailed below:

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

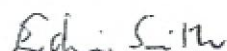
- We obtained an understanding of how the charitable company complies with these requirements by making enquiries with management and those charged with governance. We corroborated our enquiries through our review of the Trustees' meeting minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the charitable company has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override. Our audit procedures included testing manual journals, including segregation of duties.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

This description forms part of our auditor's report.

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Philip Nixon FCA  
(Senior Statutory Auditor)  
for and on behalf of  
**Edwin Smith**  
**Accountants and Statutory Auditors**

27 July 2022

32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Nuffield Orthopaedics Limited**

Statement of Financial Activities (Income and Expenditure account) for the year ended 31 July 2021

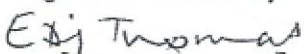
	Notes	<i>Restricted Income Fund 2021 £</i>	<i>Total funds 2020 £</i>
<b>Income:</b>			
		7,372,089	800,000
		138,439	138,441
		69	278
<b>Total income</b>		<u>7,510,597</u>	<u>938,719</u>
<b>Expenditure:</b>			
		309,079	307,312
<b>Total expenditure</b>		<u>309,079</u>	<u>307,312</u>
<b>Net income (expenditure)</b>		7,201,518	631,407
<b>Reconciliation of funds:</b>			
		8,731,111	8,099,704
<b>Total funds carried forward</b>		<u>15,932,629</u>	<u>8,731,111</u>

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

**Nuffield Orthopaedics Limited**  
**Statement of Financial Position as at 31 July 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	7	15,620,727	8,892,503
<b>Current assets</b>			
Debtors	8	169,327	280,145
Cash at bank and in hand		640,411	332,547
		<u>809,738</u>	<u>612,692</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(497,836)	(774,084)
		<u>311,902</u>	<u>(161,392)</u>
<b>Net current assets</b>		<u>311,902</u>	<u>(161,392)</u>
<b>Net assets</b>		<u>15,932,629</u>	<u>8,731,111</u>
<b>The funds of the charity</b>			
Restricted Income Funds	10	15,932,629	8,731,111
<b>Total charity funds</b>		<u>15,932,629</u>	<u>8,731,111</u>

The financial statements were approved by the Board and authorised for issue on 25 July 2022 and were signed on its behalf by:

  
E D J Thomas  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Cash Flows for the year ended 31 July 2021**

	2021	2020
	£	£
<b>Operating activities</b>		
Net income (expenditure) for the year	7,201,518	631,407
Adjustments for:		
Depreciation	169,308	169,308
(Increase) / decrease in debtors	110,818	(254,338)
Increase / (decrease) in creditors	(276,248)	738,382
	<u>7,205,396</u>	<u>1,284,759</u>
<b>Cash generated by/(used in) operating activities</b>	<u>7,205,396</u>	<u>1,284,759</u>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	(6,897,532)	(1,065,442)
<b>Cash used in investing activities</b>	<u>(6,897,532)</u>	<u>(1,065,442)</u>
<b>Net cash used</b>		
Cash generated by/(used in) operating activities	7,205,396	1,284,759
Cash used in investing activities	(6,897,532)	(1,065,442)
<b>Net cash used</b>	<u>307,864</u>	<u>219,317</u>
Cash and cash equivalents at 1 August	332,547	113,230
Cash and cash equivalents at 31 July	<u>640,411</u>	<u>332,547</u>
Cash and cash equivalents comprise:		
Cash at bank	640,411	332,547
	<u>640,411</u>	<u>332,547</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2021**

**1 Summary of significant accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**Going concern**

The charity has cash resources and has no requirement for external funding to fund normal operating activities. The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Fund accounting**

Unrestricted income funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

Restricted income funds are donations which the donor has specified are to be solely used for specific projects.

**Operating leases**

The charity classifies the lease of the land from the Oxford University Hospitals NHS Trust as an operating lease as the title to the land remains with the lessor. Rent payable is charged on a straight line basis over the term of the lease.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold - Botnar Phase 1	over 60 years
Long Leasehold - Botnar Phase 1a	over 53 years
Long Leasehold - Botnar Phase 2	over 50 years
Long Leasehold - Botnar Phase 3	Under construction

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2021**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

<b>2 Expenditure</b>	<b>2021</b>	<b>2020</b>
Charitable activities:	£	£
Auditor's remuneration	4,850	2,160
Accountancy fees	2,046	2,976
Other	13	13
Depreciation	169,308	169,308
Lease payments	130,464	130,462
Bank charges	33	33
Insurance	2,365	2,360
	<u>309,079</u>	<u>307,312</u>

**2 Trustee remuneration**

No directors, including the CEO received remuneration or other benefits or were reimbursed expenses during the year. (2020: £nil)

**3 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**4 Related parties**

The charity has a close relationship with the Nuffield Orthopaedic Centre Charity (NOCC) (charity number 1006509). NOCC provide the funding to enable the charity to carry out its charitable objectives through a Charitable Grant Agreement. In the year under review the charity received grants of £7,372,089 from NOCC (2020: £800,000).

All six directors of the company are Trustees of Nuffield Orthopaedic Centre Charity.

**5 Operating leases**

**Lessee**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £260,942 (2020: £260,942). These expire in more than five years.

**Lessor**

At the reporting end date the charity had contracted with tenants for future minimum lease payments of £415,320 (2020 £415,320). These expire in more than five years.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2021**

**7 Tangible fixed assets**

	Land and buildings At cost £	Asset under construction At cost £	Total £
<b>Cost or valuation</b>			
At 1 August 2020	9,166,158	1,855,647	11,021,805
Additions	-	6,897,532	6,897,532
At 31 July 2021	<u>9,166,158</u>	<u>8,753,179</u>	<u>17,919,337</u>
<b>Depreciation</b>			
At 1 August 2020	2,129,302	-	2,129,302
Charge for the year	169,308	-	169,308
At 31 July 2021	<u>2,298,610</u>	<u>-</u>	<u>2,298,610</u>
<b>Carrying amount</b>			
At 31 July 2021	<u>6,867,548</u>	<u>8,753,179</u>	<u>15,620,727</u>
At 31 July 2020	<u>7,036,856</u>	<u>1,855,647</u>	<u>8,892,503</u>

<b>8 Debtors</b>	<b>2021</b> £	<b>2020</b> £
Other debtors	<u>169,327</u>	<u>280,145</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2021</b> £	<b>2020</b> £
Trade creditors	401,696	680,169
Accruals and deferred income	<u>96,140</u>	<u>93,915</u>
	<u>497,836</u>	<u>774,084</u>

<b>10 Restricted income funds</b>	<b>2021</b> £	<b>2020</b> £
At 1 August	8,731,111	8,099,704
Net income (expenditure) for the year	<u>7,201,518</u>	<u>631,407</u>
At 31 July	<u>15,932,629</u>	<u>8,731,111</u>

The restricted income funds are to be used for the provision of the Botnar Centre Research Institute.

**Nuffield Orthopaedics Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2021**

**11 Presentation currency**

The financial statements are presented in Sterling.

**12 Legal form of entity and country of incorporation**

Nuffield Orthopaedics Limited is a private company limited by guarantee, incorporated in England as a company, and registered as a charity.

**13 Commitments**

On 4 June 2020 the company entered into a contract with Barnwood Construction Limited for the construction of Phase 3 of the Botnar Research Centre. The initial contract value was £7,389,635. Contract variations of £437,657 have subsequently been agreed. At 31 July 2021 costs incurred and included in the accounts was £7,578,095. The balance falls due as follows:

	2021	2020
	£	£
Due within one year	<u>131,789</u>	<u>6,494,906</u>
Due within 2 and 5 years	<u>117,409</u>	<u>249,500</u>

**14 Principal place of business**

The address of the company's principal place of business is as follows:

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington Oxford OX3 7HE

**NUFFIELD ORTHOPAEDICS LTD**

England & Wales - Charity number 1079354

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# Accounts

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Registered number  
03816219

**Nuffield Orthopaedics Limited**  
**Report and Financial Statements**  
**31 July 2020**

*A registered charity with number: 1079354*

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**Nuffield Orthopaedics Limited**  
**Company Information (this forms part of the annual directors' report)**

**Directors**

E D J Thomas  
Professor A J Carr  
C R Dick  
Mrs J Franklin  
C Johnstone  
P S Candy

**Secretary and Chief Executive Officer**

Mrs J Franklin

**Auditors**

Edwin Smith  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Bankers**

National Westminster Bank plc  
121 High Street  
Oxford  
OX1 4DD

**Principal Office**

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington  
Oxford  
OX3 7HE

**Registered office**

25A Market Square  
Bicester  
Oxon  
Oxford  
OX26 6AD

**Registered number**

03816219

**Charity registration number**

1079354 (England and Wales)

**Nuffield Orthopaedics Limited**

**Registered number:**

03816219

## **Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2020.

The directors are trustees for the purposes of the Charities Act 2011.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

### **STRATEGIC REPORT**

#### **Our purposes and activities**

Nuffield Orthopaedics Limited is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association.

The Objects for which the charity is established are as follows:

To relieve sickness and physical disability and promote good health by supporting The Nuffield Orthopaedic Centre and in particular but without prejudice to the generality of the foregoing by assisting in the raising and provision of funds for new buildings facilities and equipment.

To advance research (and the dissemination of the useful results thereof) teaching and study of all aspects of muscular skeletal disorder for the public benefit.

#### **Achievements and performance**

Within the objects above the charity has built the Botnar Centre Research Institute within the confines of land leased from the Oxford University Hospitals NHS Trust, and in turn leased the buildings to the University of Oxford.

The buildings form a centre of excellence for the provision of research into diseases of the musculoskeletal system.

#### **Financial review**

The results for the year are given in the Statement of Financial Activities.

##### **Reserves Policy**

The charity's financial position was always secure, as no commitment is made for the erection of buildings without the funding being in place to complete the project. Operating costs are met from rentals received for the building.

##### **Investment Policy**

No long-term investments are held other than the leasehold buildings, which have a sixty year lease with Oxford University. Short-term investments being cash at bank are to cover normal day-to-day transactions.

**Nuffield Orthopaedics Limited**

Registered number:

03816219

## **Directors' Report**

### **Risk Statement**

The directors assess at various intervals any risk to which the charity may be exposed, in particular those related to the operation of finances of the charity, and they are satisfied that systems are continuing to be in place to reduce any possible exposure to major risks, on an ongoing basis.

### **Plans for future periods**

The charity has facilitated the construction of the first two phases of the Botnar Centre Research Institute. Initial preparatory work is underway on extending the facility further. Phase three is expected to cost no more than £9M and construction is expected to be completed by the end of 2021. The funding for Phase three will come from The Nuffield Orthopaedic Centre Charity in due course as per the first two phases.

### **Activities undertaken by the charity for the public benefit**

The directors consider that they have complied with Section 17(5) of The Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The charity has facilitated the construction of the Botnar Centre Research Institute so that groundbreaking research can be undertaken into Musculoskeletal disease.

### **Structure, Governance and Management**

The company information given on page 1 forms part of this report and includes a full list of the directors, all of whom served throughout the year.

The day to day operation of the charity is delegated to the Chief Executive Officer (CEO). Operational decisions are then made by the CEO except where expenditure relates to a capital nature, which will require full Board approval.

Appointment of new directors is subject to the approval of the Board. Appointees are interviewed by the Chairman plus one other director, and are provided with full information about the charity before being invited to join the Board.

The Board meets at various intervals to administer the charity.

The Board members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise.

These systems should provide reasonable assurance that:

- the charity is operating efficiently and effectively;

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity, or for publication, is reliable; and
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss

They include:-

- regular consideration by the Board of financial results, and
- delegation of authority and segregation of duties.

**Nuffield Orthopaedics Limited**

Registered number:

03816219

**Directors' Report**

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 23 July 2021 and signed on its behalf.

E D J Thomas  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

**Opinion**

We have audited the financial statements of Nuffield Orthopaedics Limited for the year ended 31 July 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its net income 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 of 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Nuffield Orthopaedics Limited**  
**Independent auditors' report**  
**to the members of Nuffield Orthopaedics Limited**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

**Use of our report**

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Nixon FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Edwin Smith  
Accountants and Statutory Auditors

26 July 2021  
  
32 Queens Road  
Reading  
Berkshire  
RG1 4AU

**Nuffield Orthopaedics Limited**  
**Statement of Financial Activities (Income and Expenditure account) for the year ended 31 July 2020**

	Notes	<i>Restricted Income Fund 2020 £</i>	<i>Total funds 2019 £</i>
<b>Income:</b>			
Income from donations - grant from NOCC		800,000	200,000
Income from charitable activities - rents receivable		138,441	138,441
Income from investment - bank interest receivable		278	283
<b>Total income</b>		<u>938,719</u>	<u>338,724</u>
<b>Expenditure:</b>			
Expenditure on charitable activities		307,312	454,800
<b>Total expenditure</b>		<u>307,312</u>	<u>454,800</u>
<b>Net income (expenditure)</b>		631,407	(116,076)
<b>Reconciliation of funds:</b>			
Total funds brought forward		8,099,704	8,215,780
<b>Total funds carried forward</b>		<u>8,731,111</u>	<u>8,099,704</u>

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

**Nuffield Orthopaedics Limited**  
**Statement of Financial Position as at 31 July 2020**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	7	8,892,503	7,998,389
<b>Current assets</b>			
Debtors	8	280,145	25,807
Cash at bank and in hand		332,547	113,230
		<u>612,692</u>	<u>139,037</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	(774,084)	(35,702)
		<u>(774,084)</u>	<u>(35,702)</u>
<b>Net current assets</b>		(161,392)	103,335
<b>Net assets</b>		<u>8,731,111</u>	<u>8,099,704</u>
<b>The funds of the charity</b>			
Restricted Income Funds	10	8,731,111	8,099,704
<b>Total charity funds</b>		<u>8,731,111</u>	<u>8,099,704</u>

The financial statements were approved by the Board and authorised for issue on 23 July 2021 and were signed on its behalf by:

Mrs J Franklin  
Director

**Nuffield Orthopaedics Limited**  
**Statement of Cash Flows**  
**for the year ended 31 July 2020**

	2020	2019
	£	£
<b>Operating activities</b>		
Net income (expenditure) for the year	631,407	(116,076)
Adjustments for:		
Depreciation	169,308	169,308
(Increase) / decrease in debtors	(254,338)	1,272
Increase / (decrease) in creditors	738,382	(148)
	<u>1,284,759</u>	<u>(54,356)</u>
<b>Cash generated by/(used in) operating activities</b>	<u>1,284,759</u>	<u>(54,356)</u>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	(1,065,442)	(206,296)
	<u>(1,065,442)</u>	<u>(206,296)</u>
<b>Cash used in Investing activities</b>	<u>(1,065,442)</u>	<u>(206,296)</u>
<b>Net cash used</b>		
Cash generated by/(used in) operating activities	1,284,759	(54,356)
Cash used in investing activities	(1,065,442)	(206,296)
<b>Net cash used</b>	<u>219,317</u>	<u>(151,940)</u>
Cash and cash equivalents at 1 August	<u>113,230</u>	<u>265,170</u>
Cash and cash equivalents at 31 July	<u>332,547</u>	<u>113,230</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u>332,547</u>	<u>113,230</u>
	<u>332,547</u>	<u>113,230</u>

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

***Going concern***

The charity has cash resources and has no requirement for external funding to fund normal operating activities. The directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

***Income***

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

***Fund accounting***

Unrestricted income funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the directors have decided at their discretion to set aside to use for a specific purpose.

Restricted income funds are donations which the donor has specified are to be solely used for specific projects.

***Operating leases***

The charity classifies the lease of the land from the Oxford University Hospitals NHS Trust as an operating lease as the title to the land remains with the lessor. Rent payable is charged on a straight line basis over the term of the lease.

***Expenditure***

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold - Botnar Phase 1	over 60 years
Long Leasehold - Botnar Phase 1a	over 53 years
Long Leasehold - Botnar Phase 2	over 50 years
Long Leasehold - Botnar Phase 3	Under construction

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a shortmaturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2	2020	2019
Net expenditure	£	£
This is stated after charging:		
Auditor's remuneration	2,180	2,160
Depreciation	169,308	169,308
Lease payments	130,462	130,462

**3 Trustee remuneration**

No directors, including the CEO received remuneration or other benefits during the year. (2019: £nil)

**4 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**5 Related parties**

The charity has a close relationship with the Nuffield Orthopaedic Centre Charity (NOCC) (charity number 1006509). NOCC provide the funding to enable the charity to carry out its charitable objectives through a Charitable Grant Agreement. In the year under review the charity received a grant of £800,000 from NOCC (2018: £200,000).

All six directors of the company are Trustees of Nuffield Orthopaedic Centre Charity.

**6 Operating leases**

At 31 July the charity had future minimum annual lease payments under non-cancellable operating leases of £130,462. These expire in more than five years. (2019: £130,462)

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**7 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Asset under construction</b>	<b>Total</b>
	<i>At cost</i>	<i>At cost</i>	
	£	£	£
<b>Cost or valuation</b>			
At 1 August 2019	9,166,158	790,205	9,956,363
Additions	-	1,065,442	1,065,442
At 31 July 2020	<u>9,166,158</u>	<u>1,855,647</u>	<u>11,021,805</u>
<b>Depreciation</b>			
At 1 August 2019	1,959,994	-	1,959,994
Charge for the year	169,308	-	169,308
At 31 July 2020	<u>2,129,302</u>	<u>-</u>	<u>2,129,302</u>
<b>Carrying amount</b>			
At 31 July 2020	<u>7,036,856</u>	<u>1,855,647</u>	<u>8,892,503</u>
At 31 July 2019	<u>7,206,164</u>	<u>790,205</u>	<u>7,996,369</u>

<b>8 Debtors</b>	<b>2020</b>	<b>2019</b>
	£	£
Other debtors	<u>280,145</u>	<u>25,807</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Trade creditors	680,169	-
Accruals and deferred income	<u>93,915</u>	<u>35,702</u>
	<u>774,084</u>	<u>35,702</u>

<b>10 Restricted income funds</b>	<b>2020</b>	<b>2019</b>
	£	£
At 1 August	8,099,704	8,215,780
Net expenditure for the year	<u>631,407</u>	<u>(116,076)</u>
At 31 July	<u>8,731,111</u>	<u>8,099,704</u>

The restricted income funds are to be used for the provision of the Botnar Centre Research Institute.

**Nuffield Orthopaedics Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2020**

**11 Presentation currency**

The financial statements are presented in Sterling.

**12 Legal form of entity and country of incorporation**

Nuffield Orthopaedics Limited is a private company limited by guarantee and incorporated in England as a company and registered as a charity.

**13 Commitments**

On 4 June 2020 the company entered into a contract with Barnwood Construction Limited for the construction of Phase 3 of the Botnar Research Centre. The initial contract value was £7,389,635. At 31 July 2020 costs incurred and included in the accounts was £894,728. The balance falls due as follows:

Due within one year	<u>£6,494,906</u>
Due within 2 and 5 years	<u>£249,500</u>

**14 Principal place of business**

The address of the company's principal place of business is as follows:

Nuffield Orthopaedic Centre Appeal Office  
Nuffield Orthopaedic Centre  
Headington Oxford OX3 7HE

**Nuffield Orthopaedics Limited**  
**Detailed profit and loss account**  
**for the year ended 31 July 2020**

	2020	2019
	£	£
<b>Income</b>		
Grants from NOCC	800,000	200,000
Rents receivable	138,441	138,441
Interest receivable	278	283
	<u>938,719</u>	<u>338,724</u>
<b>Expenditure</b>		
Premises costs:		
Rent	<u>130,462</u>	<u>130,462</u>
	130,462	130,462
General administrative expenses:		
Bank charges	33	33
Insurance	2,360	2,360
Depreciation	<u>169,308</u>	<u>169,308</u>
	<u>171,701</u>	<u>171,701</u>
Legal and professional costs:		
Accountancy fees	5,136	5,210
Solicitors fees	-	147,414
Other legal and professional	<u>13</u>	<u>13</u>
	<u>5,149</u>	<u>152,637</u>
	<u>307,312</u>	<u>454,800</u>