

Charity Registration No. 1095190

Company Registration No. 04539916 (England and Wales)

EUROPEAN ORTHODONTIC SOCIETY
(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

EUROPEAN ORTHODONTIC SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor D Bister Professor C Katsaros Professor F McDonald Professor C Laspos Professor B Kahl-Nieke Professor O Sorel Professor V Vandeveska-Radunovic Dr A Puigdollers Dr I Marek Professor P Pirttiniemi Professor D Halazonetis Professor P Crismani Dr De Franco Dr M Disse Professor P Fudalej Dr F E Geoghegan	(Appointed 30 June 2020) (Appointed 2 November 2020) (Appointed 12 July 2021)
Secretary	Professor D Bister	
Charity number	1095190	
Company number	04539916	
Registered office	Flat 20 49 Hallam Street London W1W 6JN	
Independent auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ	
Bankers	Santander UK Plc 2 Triton Square Regents Place London NW1 3AN	
Investment advisors	J. M. Finn & Co 4 Coleman Street London EC2R 5TA	

EUROPEAN ORTHODONTIC SOCIETY

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EUROPEAN ORTHODONTIC SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report and consolidated accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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) (updated January 2019)"

Objectives and activities

The principal object of the Society is to advance all aspects of orthodontics and its relations with the collateral arts and sciences for the public benefit. In particular focus is made on the following:

- Providing a source of reliable up-to-date information on orthodontics and orthodontic practice through publications, the Society's website, and the media.
- Maintaining and promoting the highest standards of patient care and sharing information about orthodontics with patients, political bodies and professional organisations.
- Providing continuing professional education for orthodontists through the European Orthodontic Society Conference and through the European Journal of Orthodontics.
- Advancing orthodontic knowledge by funding orthodontic research for the improvement of patient care through the Society's Awards programme, and through publication of the European Journal of Orthodontics, which is a highly respected international journal.
- Maintaining and promoting the highest standards of patient care through the European Board of Orthodontist examination.
- Providing the highest levels of education through the European Orthodontic Society ("EOS") sponsored Distinguished Teacher Award.

The Trustees confirm that, in their opinion, they have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission, in planning the activities and strategy of the Society as well as in the exercise of their powers and responsibilities as detailed in the governing document and under charity law.

The EOS has a number of key charitable objectives including:

- To advance all aspects of orthodontics and its relations with the collateral arts and sciences for public and patient benefit.
- The furtherance of orthodontics amongst all branches of the dental profession working in private practice, hospitals and universities throughout Europe, with the ultimate aim of enhancing patient care.

The EOS continues to fulfil these key charitable objectives, through the Annual Congress and the following:

Annual Congress

The Annual Congress is a key tool through which the objectives of the charity are achieved especially as to education and collaboration. This enables members to be provided with a higher level of specialisation and skill resulting in more efficient and beneficial patient treatment thus meeting the public benefit requirement. However, the world pandemic of COVID-19 impacted on the Hamburg congress in 2020, which was cancelled, and will also impact the planned Cyprus congress in 2021.

The 96th EOS congress with the residing President, Bärbel Kahl-Nieke, was due to be held in Hamburg in June 2020. A full programme had been designed and allocated following the meeting of the scientific committee and Council in February 2020. Over 700 abstracts had been submitted for consideration by the scientific committee together with the structure of the topic sessions and keynote lectures as well as the appointment of the Sheldon Friel lecturer.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

However, following the development of the pandemic with its impact on international travel, consideration was given to cancelling the Congress based on ensuring the safety of the delegates, lecturers and sponsors. A meeting of the EOS council, in line with normal governance of the Society, was held via Zoom to consider all possible solutions. Without any positive alternative strategy, that did not put delegates at risk, the decision was made to cancel the congress. Following discussions with the trustees it was decided to cancel the Congress on 30th March 2020 before major contractual enforcement was in place. This had an impact on the Society and the financial situation.

This led to significant discussions with the congress organisers for the Hamburg conference. Unfortunately, the congress organisers (MCI Berlin) did not react in a supportive way and despite attempts to recover the charitable funds already received by them this was unsuccessful. Thus a decision was taken by the Board to place the subsidiary company into voluntary liquidation after taking appropriate professional advice both in the UK and in Germany.

As the pandemic developed discussions occurred at Board level as to the model to be applied as to future congresses including the Cyprus congress in 2021. In August 2020 it became apparent that the pandemic was more disruptive than initially thought and the risks for the charity of running a 'standard' congress in 2021 were too high with a significant depletion of delegates attending impacting on the funds available for public benefit. On 20th August 2020, following extensive discussions with trustees and congress organisers, the Cyprus Congress was postponed until 2022 and all future Presidents and officers of the Society should remain in office for a further year.

Whilst the charity continued to support the European Journal of Orthodontics (see later) with its continued increase in impact factor, the provision of education and networking to the members was considered by the trustees especially in light of the changing profile of future congresses.

A professional congress organising company (TFI) was identified that had previously been successfully involved in the organisation of the 2018 Congress in Edinburgh. In discussion with the company and executive members, a possible structure for educational development and networking programme was devised and put to the trustees in October 2020. The trustees unanimously accepted that we should move to a change in the way the Society provides its public benefits opting for a blended approach with both face to face congresses, with reduced venue bookings, and online elements for those unable to travel.

In addition, with the absence of a congress in 2020 and 2021, the new restructuring has resulted in a design of quarterly specialised webinars only targeting specific aspects of professional development required. This involved three speakers providing 'state of the art' lectures available online for members and non-members to view followed by a roundtable discussion with all three speakers. Participants to the speaker's lectures could submit questions in advance or during a roundtable discussion. The first of these has taken place and the feedback and statistics are being reviewed.

The Distinguished teacher lecture series, that were due to take place in Sofia, Bulgaria and Barcelona, Spain to support postgraduates, was delivered online on the 5th February 2021 as the first webinar provided by the charity. This lecture was provided free of charge for all postgraduates. The subject was 'Autotransplantation of developing teeth' and was delivered by Ewa Czychowska of Poland. The statistics for this lecture were 459 attendees from 35 countries. In addition, 250 'Continuing Professional Development' certificates were provided following the appropriate feedback. The numbers attending were higher than previous face to face lectures. A further lecture by the next appointed Distinguished Teacher, Björn Ludwig of Germany, is planned for later in 2021.

Previously identified keynote speakers for Hamburg, the Sheldon Friel lecturer, chairman of the Hamburg scientific committee and President for 2020 were approached to publish aspects of what would have been provided if the Hamburg congress had occurred. A special edition of the EJO containing articles from the cancelled meeting was published with the October 2020 issue.

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FOR THE YEAR ENDED 31 DECEMBER 2020

The preliminary considerations of the new format, as a consequence of cancellation of the congress and postponement of the subsequent congresses together with the financial pressures, indicate that (a) access online provides education to all members of the society and non-members (b) the provision of online education limits the need for members to travel supporting a 'greener' environment and (c) there is a need for face to face congress budgets to be restructured and redefined.

European Journal of Orthodontics (EJO)

The EJO continues to be a major source of education for orthodontists worldwide. During 2020, 544 original articles were submitted to the EJO (Original articles 424, Randomized Controlled Trials, 45, Systematic reviews 63, Commentaries 2, Letters to the Editor 6, Book reviews 4). According to the 2018 Journal Citation Reports® (Thomson Reuters, 2016), the impact factor of the EJO increased to 1.84. In the category of Dentistry, Oral Surgery & Medicine the EJO has remained in the 2nd quartile of journals and ranks 35th out of 91. The Journal Impact Factor percentile (JIF percentile) was 60.0. This significant achievement ensures that high quality research publications are readily available for orthodontists to read worldwide.

Free online access to the EJO for not-for-profit institutes was available either directly through Oxford University Press, or through initiatives with INASP or WHO (HINARI). Discounted rates continued to be given to a number of middle-income countries. The number of eligible institutions fluctuates year-on-year as some countries leave the scheme while others join (eligibility is based predominantly on the World Bank Rankings and the Human Development Index). Such access increases access to the orthodontic literature in countries which may not otherwise be able to provide this opportunity. At present upwards of 7,000 educational institutions can access the journal, often provided as part of a library package of journals. There are currently 103 eligible countries in the reduced cost initiative – 61 of which have free access and 42 a significantly reduced rate. All articles are available to the public, with nominal payment, 12 months after publication. This also includes archived articles back to 1979.

European Board of Orthodontists (EBO)

The objectives of the EBO are to enhance the standards of orthodontic treatment throughout Europe and worldwide to encourage the spirit of self-improvement among colleagues who are recognized specialists in orthodontics. There are presently 140 EBO members in Europe, the Middle East and Asia.

Despite the COVID-19 pandemic and cancellation of the 2020 EOS Congress in Hamburg, an online EBO examination was held in June 2020. Full EBO membership was awarded to Daniela Garbo, Manuela Maltoni, Andrea Scarpa and Carlos Suarez Martinez. Provisional EBO membership was awarded to Angela Manfredonia and Erfan Salloum.

This year the 2021 the EBO examination will be held completely online. The candidates have been asked to submit their cases digitally via a secure link and an oral examination was held on the 12th June 2021. This year, 25 candidates will be evaluated, 17 for full membership and eight for provisional membership.

Liaison with other Societies

The close co-operation that exists with other Societies has continued. Representative of the European Federation of Orthodontic Specialists Association (EFOSA) attended the meetings of the EOS and Dirk Bister represented the EOS at the EFOSA meetings. Representatives of the American Association of Orthodontists were present at the Congress in France and were provided with a booth to promote their Society. This arrangement was reciprocated at their meeting. Rooms were also provided without charge for EFOSA and the European Postgraduates Students Orthodontic Society. Dirk Bister, the EOS representative, attended the meetings of the Platform for Better Oral Health in Europe.

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Teaching and Education

With the cancellation of the congress the Network of Erasmus Based European Orthodontic Programmes (NEBEOP) had to rapidly restructure the education support to schools. This included a plan of lectures not provided within the normal timetable by teaching establishments but involved subjects which were highly specialised in scientific methodology and delivered by experts in each respective area.

The topics include (the B number and topic refer to the new development of an international curriculum):

02-03-2021; Dr. Morten Laursen, Title: Clinical biomechanics

06-04-2021; Prof. Theodore Eliades, Title: How is the stress applied on tooth crown transformed into strain of the periodontal tissues?

04-05-2021; Prof. Hans-Peter Bantleon, Title: Friction and binding:

01-06-2021; Prof. Inger Kjær, Title: Pathological tooth eruption- different etiologies result in different treatments:

06-07-2021; Prof. Vaska Vandevska-Radunovic, Title: Orthodontic relapse: a biological perspective.

07-09-2021; Prof. Alejandro Iglesias-Linares, Title: Genetics and root resorption in orthodontics. Erasmus courses: C7 Iatrogenic aspects of orthodontic treatment.

05-10-2021 – Prof. Stavros Kiliaridis, Title: Muscular diseases and orthodontic consequences.

02-11-2021; Prof. Costanza Meazzini, Title: HFM: diagnosis and long-term follow-up of treated and non-treated patients.

07-12-2021; Prof. Mauro Farella, Title: Toothless Tale: a bird's eye view about hypodontia.

04-01-2022; Prof. Yijin Ren, Title: Biofilms in orthodontics.

It is anticipated that the target audience of 400 to 500 postgraduate students will attend. Figures will be reviewed after each Zoom webinar and future target lectures will be identified

The 13th meeting of NEBEOP took place online on the 19h June 2020, and the Network continues to work hard to enhance orthodontic education throughout Europe. The universities of Barcelona and Sheffield have been accepted as full members, making 29 full members and 20 provisional members; altogether approximately 50 members. There are approximately 130 orthodontic programmes in Europe. Research that was undertaken by members of NEBEOP identified 168 programmes and at the end of the study had received 100 responses of which 38 of the 100 said they were NEBEOP members. Of those, two-thirds were active and one-third provisional. Only full members can use the NEBEOP logo or make reference to NEBEOP membership in letters or advertising. Two applications for provisional membership has been received and were approved by NEBEOP Board: Université de Strasbourg, France and Università degli Studi di Firenze, Italy.

The University of Murcia, Spain will probably also be a new member. Some schools were required to apply for renewal as they were coming to the end of their seven year term and site visits would be required. Two schools will be re-evaluated this year.

In addition, an area specific to professional education of teachers (similar to university teacher training) is being developed.

The 14th European Orthodontic Teachers' Forum was held on the 23rd June 2021 online. The title is: Adults learning in blended learning environments

Speaker: Prof Dr. Jan Elen (Faculty of Psychology and Educational Sciences, KU Leuven, Leuven, Belgium)

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In a first part some essential characteristics of learning processes will be highlighted. The contribution will discuss the potential of blended learning environments for adult learners

The second part will be entitled 'Start to blend and teach: a practice format from the master in Family Medicine'.

Speaker: Prof. Dr. Birgitte Schoenmaekers. This presentation will focus is on blended learning and teaching in a complex learning environment.

The EOS also continues with NEBEOP as a sister company to protect the reserves of the charity in case a university challenges the recognition process offered by NEBEOP.

Grants

Seven eligible applications for consideration were received in 2020. All applications were sent for external refereeing and were then considered by the members of the Grants Committee [Lorenzo Franchi (Italy), Thomas Präger (Switzerland), Maria Ransjö (Sweden), Bart Vande Vannet (France), and Susan Cunningham (UK)]. All members scored the applications which were then ranked based on the scores received. A teleconference was then held in May 2020 at which Dirk Bister (UK), who will be the chair of the research committee from June 2020, was in attendance.

A decision was made to fund four grants:

Theodore Eliades, Anna Iliadi, Despina Koletsi, Marc Schätzle, George Eliades (University of Zurich, Switzerland) 'Assessment of BPA release and surface alterations of orthodontic aligners in the presence of resin composite attachments: An *in vitro* study' [£20,000].

Anna Westerlund, Maria Ransjö (University of Gothenburg, Sweden) 'Molecular mechanisms in tooth eruption and impaction' [£17,850].

Malin Vesterbacka, Marie Pegelow, Tülay Lindberg, Agneta Karsten (Karolinska Institutet, Stockholm, Sweden) 'Van der Woude syndrome – craniofacial development, wound healing and the relation to expressed genes and proteins in oral epithelial tissue' [£20,000].

Edwin Ongkosuwito, Hans Von den Hoff (Radboud University Medical Center Nijmegen, The Netherlands) 'FGF-receptor 2 mutation and craniofacial development in zebrafish' [£20,000].

EOS Membership

There are currently 3586 members (including 723 postgraduate students) of the EOS from 85 different countries.

All the activities undertaken by the EOS, including the awarding of grants, the Distinguished Teacher Lectures, the Annual Congress, publication of the EJO, the EBO examination, the activities of the Teachers' Forum and NEBEOP, all aim to improve the education of postgraduates and orthodontists and those interested in orthodontics, thus resulting in improved advice to the public and patients and, overall, enhanced patient care.

The Society, through the professional advice provided, continues to restructure to protect the charity and the members' subscriptions from adverse world events. It is clear that no future insurance policies can be provided to fully protect the charitable funds and that the legal frameworks within European companies are too complex to robustly protect the charity. As a consequence, the future administrative structure of the society and its congress will be managed within a safe legal framework. Currently, this appears to be the United Kingdom. TFI, registered in the United Kingdom, at present currently fulfils the criteria and no trustee has a current conflict of interest.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Investment performance

A gain on disposal and revaluation of quoted investments accrued in the year of £198,982 (2019 £225,839). The Trustees consider that investment performance over the medium and long term has been satisfactory in meeting the targets initially set. The Trustees consult with the investment managers on a regular basis to review the portfolios held with special attention given to the equity portfolio to ensure that the return in terms of capital growth meet the targets actually set. As detailed in prior years the portfolio is now split into four different funds.

The investments in the 'Houston Memorial Reserve Fund' and the 'Awards and Distinction Fund' are invested to provide a sustained level of income as detailed in note 22 to the accounts. Over the medium and long term, these stocks have performed satisfactorily as their capital value was increased whilst maintaining the income stream.

The investment in the 'Development and Research Fund' is made with a target of achieving a balance of income and capital growth. Upon establishing this fund the Trustees agreed that a realistic projected overall return in the medium to long term was a rate of 5% per annum. Since the inception of this target the projected return has been exceeded.

The other fund is the Francesca Miotti fund . Please see note 22 for further details.

Financial review

The net income for the year amounted to £232,636 (2019: £541,577) which includes a gain on revaluation and disposal of investments amounting to £198,982 as described above. The surplus on the publication of the journal was £38,578 (2019: £43,169). There was no surplus on its Congress this year due to its cancellation due to Covid.

The Statement of Financial Activities shows that income from all sources amounted to £418,679 (2019: £1,732,260). The decrease stems primarily from the fact that no income was received on the Congress in the year under review. There was also a decrease in income from annual subscriptions of £25,719 due to the Covid effect. The income on the sale of publications issued by the society was £163,000 (2019: £166,968). Investment income on listed investments for the year was £60,589 (2019: £64,451).

Expenditure decreased by the sum of £1,031,497 to the sum of £385,025 (2019: £1,416,522). Research grants and other awards were made of £61,622 (2019: £52,388). Overall management costs, both direct and indirect increased to £150,951 (2019: £145,507).

Scrutiny of the balance sheet reveals net assets held by the society of £4,025,916 compared to the prior year figure of £3,793,280 representing an increase of £232,636. Cash retained was £138,244 (2019: £253,685) at the balance sheet date. The Trustees hold a leasehold property at Hallam Street, London, W1 which is utilised for the purposes of the management and administration of the society. For this reason the property has been included in the accounts at cost as allowed by the Statement of Recommended Practice. The Trustees are of the opinion that the actual market value is substantially in excess of cost. A further property is also retained at Hallam Street to be held for investment purposes which had a market value of £762,000 at the balance sheet date.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees have reviewed the ongoing funding requirements with regard to future research grants and other awards to be made by the Society. It has previously been agreed that separate designated funds be established in order that sufficient income should accrue on an annual basis to finance anticipated payments. Three funds have been established as described in note 22 in order to fulfill the detailed objectives. The Trustees have reviewed the distribution policy of each fund given their current value and the positive returns that have accrued in recent years. The targeted distribution rate at the inception of each fund was 5% of initial value. The targeted distributions have now been increased to 5% of current fund value. The new targets are detailed in note 22 to the accounts. The total of £3,686,516 (2019: £3,438,993) was held as designated funds at the balance sheet date.

At 31 December 2020 the Charity had free reserves of £35,064. (2019: £45,447). This total excludes funds designated for other purposes and fixed assets. The aim is to build such reserves to a position where there is minimum cover of at least three months expenditure. This target was missed in the year under review due to the fact that there was no return forthcoming from the annual Congress.

The charity had a subsidiary which was used for the purposes of the Annual Congress. Through this subsidiary Company (EOS Congress Company Limited) the European Orthodontic Society held its Congress on an annual basis. As a consequence of the COVID-19 pandemic the congress was cancelled. This impacted on all activities associated with the Congress. There were no available insurance policies which could be used to affray the costs associated with cancellation of the event. The financial impact was a loss of £73,841 (see note 13). The subsidiary company is now in liquidation.

The investment portfolio held as at December 2020 had a market value of £2,976,397 aimed at producing income and capital growth to support the Society's charitable activities. The portfolio is invested in UK equities and quoted fixed interest bonds. A review of the overall portfolios at the balance sheet date shows holdings of quoted bonds of 34% (2019 - 34%) with the balance held in equities of 66% (2019: 66%). Due to the extremely low returns available as fixed interest bonds mature the proceeds have been reinvested into equities where the potential overall return is greater.

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and have developed a risk management strategy which involves the following:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face
- the establishment of policies, systems and procedures to mitigate risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

The financial and legal aspects of the cancellation of the Hamburg congress have demonstrated the complex nature of organising Congresses within legal frameworks outside of United Kingdom legislation. A substantial tool in protecting the charity from significant financial detriment has been the formation of a subsidiary company for congress contracting. This was established in 2013 and had worked effectively until 2020.

Plans are being developed to manage future risks ranging from another cancellation in 2021 (due to world events which may or may not be COVID-19 related), delivering the whole congress on-line (the financial model is still to be defined), a blended congress with reduced numbers and supported online or a traditional congress. If the latter route is followed the financial model of the congress must now be more robustly structured potentially using only a UK based congress organiser who can liaise with local international contacts, or establishing a financial bond to work with the charity. There is also a plan to offer specialised Continuing Professional Development over the year for all members.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

The charitable company is limited by guarantee and was established on 18th September 2002. The business of the society was previously carried on via an unincorporated charity. On 29 June 2013 the charitable company adopted new articles of association designed to improve the governance of the charity.

The Trustees, who are also the directors for the purpose of company law, and who served during the period from 1 January 2020 were:

Professor D Bister	
Professor S Cunningham	(Resigned 30 June 2020)
Professor J Huggare	(Resigned 30 June 2020)
Professor C Katsaros	
Professor F McDonald	
Professor C Laspos	
Professor B Kahl-Nieke	
Dr J O'Neill	(Resigned 12 July 2021)
Professor O Sorel	
Professor V Vandeveska-Radunovic	
Dr A Puigdollers	
Dr I Marek	
Professor P Pirttiniemi	
Professor D Halazonetis	
Professor P Crismani	(Appointed 30 June 2020)
Professor G De Pauw	(Resigned 30 June 2020)
Dr De Franco	(Appointed 2 November 2020)
Dr M Disse	(Appointed 12 July 2021)
Professor P Fudalej	
Dr F E Geoghegan	(Appointed 25 June 2019)

The council consists of a minimum number of sixteen officers including a President, the immediate Past President, five Presidents Elect, three Past Presidents and the elected officers, a Secretary and a Treasurer. The term of each office varies. Members of the Council are appointed as follows:

- The Presidents Elect and all of the elected positions are elected by a ballot of the membership.
- At the conclusion of each AGM the President Elect that has served the longest automatically takes up to the office of President. The term of office is one year.
- Upon the expiry of their term of office the outgoing President automatically succeeds to the office of immediate Past President for a period of one year and the outgoing immediate Past President succeeds to the office of Past President for a period of a further three years.

No member of the Council can serve more than one term in the same office other than the Honorary Secretary and the Honorary Treasurer.

All Trustees are kept up to date with ongoing developments in charity law and practice with appropriate training courses being considered if appropriate. It is the policy of the Board to provide new Trustees with all relevant information appertaining to the charity and its affairs upon induction in order that they can obtain a sufficient level of knowledge to enable them to perform their roles effectively.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Policy and long term planning decisions regarding the affairs of the Society are made at Council meetings which are attended by all Trustees and take place three times a year. Issues are resolved on a majority vote. Each member of the Council has one vote except those Trustees who have been co-opted.

The management on a day to day basis is controlled by the Executive Council which meets four or more times a year. Administrative matters are undertaken by staff based at the London office owned by the Society in Hallam Street, London W1.

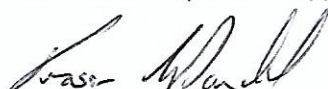
Auditor

The auditor, Gerald Edelman, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The Trustees report was approved by the Board and signed on its behalf by:-



Professor F McDonald

Trustee

Dated: 15 September 2021

EUROPEAN ORTHODONTIC SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts 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.

EUROPEAN ORTHODONTIC SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EUROPEAN ORTHODONTIC SOCIETY

Opinion

We have audited the financial statements of European Orthodontic Society (the 'charity') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual 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.

EUROPEAN ORTHODONTIC SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EUROPEAN ORTHODONTIC SOCIETY

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' 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 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2020.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

EUROPEAN ORTHODONTIC SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EUROPEAN ORTHODONTIC SOCIETY

The extent to which the audit was considered capable of detecting irregularities including fraud

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud and the posting of unusual journals .
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act 2006, tax legislation, data protection, anti-bribery, employment, health and safety .

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships
- Auditing the risk of management override of controls, including through testing journal entries for appropriateness.
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC, relevant regulators including and the company's legal advisors.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of European Orthodontic Society.

EUROPEAN ORTHODONTIC SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EUROPEAN ORTHODONTIC SOCIETY

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.



Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

15 September 2021

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

EUROPEAN ORTHODONTIC SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Designated funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Income from charitable activities	3	343,675	-	343,675	1,646,471
Investment income	5	1	75,003	75,004	85,789
Total income		343,676	75,003	418,679	1,732,260
<u>Expenditure on:</u>					
Costs of raising funds	6	467	38,681	39,148	42,830
Charitable activities	7	284,255	61,622	345,877	1,373,692
Total expenditure		284,722	100,303	385,025	1,416,522
Net income/(expenditure) before gains and losses on investments		58,954	(25,300)	33,654	315,738
Net (loss)/gain on investments	13	(73,841)	272,823	198,982	225,839
Net income/(expenditure) for the year		(14,887)	247,523	232,636	541,577
Fund balances at 1 January 2020		354,287	3,438,993	3,793,280	3,251,703
Fund balances at 31 December 2020		339,400	3,686,516	4,025,916	3,793,280

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

EUROPEAN ORTHODONTIC SOCIETY

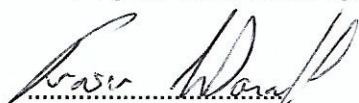
CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	14	307,936	308,840
Investment properties	15	762,000	596,839
Investments	16	2,976,397	2,847,911
		<u>4,046,333</u>	<u>3,753,590</u>
Current assets			
Debtors	18	68,678	13,745
Investments	19	27,593	9,459
Cash at bank and in hand		88,484	244,226
		<u>184,755</u>	<u>267,430</u>
Creditors: amounts falling due within one year	20	(205,172)	(227,740)
Net current assets/(liabilities)		<u>(20,417)</u>	<u>39,690</u>
Net assets		<u><u>4,025,916</u></u>	<u><u>3,793,280</u></u>
Income funds			
<u>Unrestricted funds</u>			
Designated funds	22	3,686,516	3,438,993
General unrestricted funds		339,400	354,287
		<u><u>4,025,916</u></u>	<u><u>3,793,280</u></u>

The Trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board and authorised for issue on 15 September 2021 and were signed on its behalf by:



Professor F McDonald
Trustee

Company Registration No. 04539916

EUROPEAN ORTHODONTIC SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25		(191,877)		451,931
Investing activities					
Purchase of tangible fixed assets		-		(3,774)	
Purchase of investments		(395,998)		(886,765)	
Proceeds on disposal of investments		397,430		485,556	
Investment income		75,004		85,789	
Net cash generated from/ (used in) investing activities			76,436		(319,194)
Net (decrease)/increase in cash and cash equivalents			(115,441)		132,737
Cash and cash equivalents at beginning of year			253,685		120,948
Cash and cash equivalents at end of year			138,244		253,685

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

European Orthodontic Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Flat 20, 49 Hallam Street, London, W1W 6JN.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Subscriptions from members are recognised in the year in which they fall due. The charity invoices for these fees in advance and as such the accounts include a creditor for deferred income. Income receivable regarding the Annual Congress are accounted for on an accruals basis.

Investment income receivable such as dividends is recognised when received. All other investment income is accounted for on an accruals basis.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All resources expended are accounted for on an accruals basis. Any irrecoverable VAT is charged to the expense to which it relates.

Costs of raising funds represents the fees incurred in connection with the management of the investment portfolios.

Charitable expenditure relates to grants payable as well as costs of services and activities provided to members of the charity. The latter costs include those incurred directly and those of an indirect nature necessary to support them. Included in charitable expenditure are support and governance costs with the latter including expenses relating to the charity's compliance with regulations and good practice.

1.6 Tangible fixed assets

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computers	25% reducing balance
Fixtures, fittings & equipment	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Long leasehold properties are included in the accounts at cost and are retained by the charity for its own use. No depreciation is provided in respect of long leasehold properties, as their unexpired lease terms exceeds 50 years.

Capitalisation policy

The charity capitalises expenditure of a fixed asset nature only when the cost exceeds £500.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Cash and cash equivalents

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

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period).

1.12 Taxation

As a registered charity the Society is exempt from taxation on its activities which fall within the scope of part 10 ITA 2007 and section 256 of the Taxation of Chargeable Gains Act 1992.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

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

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

3 Income from charitable activities

	2020	2019
	£	£
Members subscriptions and other fees	170,975	196,694
Examinations	9,700	8,400
Annual conference	-	1,274,679
Publications	163,000	166,698
	<hr/>	<hr/>
	343,675	1,646,471
	<hr/>	<hr/>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Subsidiary company activities

The charity had a wholly owned subsidiary company known as EOS Congress Company Limited which was incorporated in the United Kingdom and was utilised to hold the activities of the Annual Congress. Any profits generated by the company are paid to the charity under the gift aid scheme. On 6 August 2020 the company ceased trading and entered into administration following the cancellation of the Hamburg Congress due to be held in June 2020 due to the Coronavirus epidemic. A loss arose to the charity as a result of such winding up of £73,841.

Shown below is the breakdown of the Annual Congress results held in the year in Nice

	Total 2020 £	Total 2019 £
Income		
Registration and other fees	-	658,892
Exhibition and sponsorship income	-	551,751
Other income	-	22,967
Social events	-	41,070
	-	1,274,680
Expenditure		
Exhibition costs	-	65,982
Printing and marketing	-	54,874
Hire of venue and associated costs	-	289,333
Hotel and travel expenses	-	29,989
Catering and entertainment costs	-	385,451
Management and administration	-	178,334
Other conference expenses	-	26,489
	-	1,030,452
Total net income	-	244,228

5 Investment income

	2020 £	2019 £
Rental income	14,414	21,032
Income from listed investments	60,589	64,451
Bank interest receivable	1	306
For the year ended 31 December 2020	75,004	85,789
For the year ended 31 December 2019		85,789

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Costs of raising funds

	Unrestricted funds £	Designated funds £	Total 2020 £	Total 2019 £
<u>Fundraising and publicity</u>				
Advertising	467	-	467	-
Investment property expenses	-	5,608	5,608	12,001
	<hr/>	<hr/>	<hr/>	<hr/>
Fundraising and publicity	467	5,608	6,075	12,001
	<hr/>	<hr/>	<hr/>	<hr/>
Investment managers' fees	-	33,073	33,073	30,829
	<hr/>	<hr/>	<hr/>	<hr/>
	467	38,681	39,148	42,830
	<hr/>	<hr/>	<hr/>	<hr/>

7 Charitable activities

	Unrestricted funds £	Designated funds £	Total 2020 £	Total 2019 £
Conference costs	-	-	-	1,036,775
Cost of publications	124,422	-	124,422	123,529
European Board of Orthodontists exam costs	825	-	825	9,328
Executive meetings	4,457	-	4,457	6,165
Professional fees	3,600	-	3,600	-
	<hr/>	<hr/>	<hr/>	<hr/>
	133,304	-	133,304	1,175,797
	<hr/>	<hr/>	<hr/>	<hr/>
Grant funding of activities (see note 8)	-	61,622	61,622	52,388
Support costs (including governance costs (see note 9))	150,951	-	150,951	145,507
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 31 December 2020	284,255	61,622	345,877	1,373,692
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 31 December 2019	1,273,075	142,599		1,373,692
	<hr/>	<hr/>		<hr/>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Grants payable

	Unrestricted funds £	Designated funds £	2020 £	2019 £
Grants to institutions:				
NEBEOP	-	-	-	3,017
Grants to individuals	-	61,622	61,622	49,371
	<u>-</u>	<u>61,622</u>	<u>61,622</u>	<u>52,388</u>
	<u><u>-</u></u>	<u><u>61,622</u></u>	<u><u>61,622</u></u>	<u><u>52,388</u></u>
For the year ended 31 December 2019	9,017	43,371		52,388
	<u><u>9,017</u></u>	<u><u>43,371</u></u>		<u><u>52,388</u></u>

9 Support costs (including governance costs)

	2020 £	2019 £
Staff costs	67,051	67,076
Depreciation	904	884
Council meetings	2,799	11,400
Rent and rates	10,719	10,125
Insurance	898	759
Stationery and printing	398	4,770
Telephone and postage	16,144	12,091
Computer and website expenses	8,331	8,862
Light, heat and sundries	4,645	34
Bank and credit card charges	5,400	9,315
Accountancy	5,946	-
Repairs	-	4,701
Governance costs		
Audit fees	12,853	14,128
Legal and professional	14,863	1,362
	<u>150,951</u>	<u>145,507</u>
	<u><u>150,951</u></u>	<u><u>145,507</u></u>

10 Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	904	885
Investments revaluation	299,136	210,386
	<u>299,136</u>	<u>210,386</u>
	<u><u>299,136</u></u>	<u><u>210,386</u></u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, 9 (2019: 6) of them were reimbursed a total of £7,435 (2019: £20,596) in respect of travelling, hotel and other expenses incurred in connection with the activities of the Society.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Employees

The average number of employees during the year was:

Administration	2	2
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Employment costs	2020	2019
	£	£
Wages and salaries	63,714	62,986
Social security costs	2,395	3,255
Other pension costs	942	835
	67,051	67,076

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

13 Net gains/(losses) on investments

	Total	Total
	2020	2019
	£	£
Revaluation of investments	299,136	210,386
Loss on sale of investments	(26,313)	15,453
Loss on disposal of unquoted investments	(73,841)	-
	198,982	225,839

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

Group and Charity

	Long leasehold property £	Computers £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2020	302,231	30,000	42,512	374,743
At 31 December 2020	302,231	30,000	42,512	374,743
Depreciation and impairment				
At 1 January 2020	-	28,376	37,527	65,903
Depreciation charged in the year	-	406	498	904
At 31 December 2020	-	28,782	38,025	66,807
Carrying amount				
At 31 December 2020	302,231	1,218	4,487	307,936
At 31 December 2019	302,231	1,624	4,985	308,840

All of the tangible fixed assets are retained for use by the charity.

The market value of the leasehold property is far in excess of cost.

15 Investment property

	2020 £
Cost	
At 1 January 2020	596,839
Revaluation	165,161
At 31 December 2020	762,000
Carrying value	
At 31 December 2020	762,000
At 31 December 2019	596,839

The fair value of the investment property was based on market evidence of transaction prices for similar properties at December 2020.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Fixed asset investments

Movements in fixed asset investments

	Equities, funds & bonds £
Cost or valuation	
At 1 January 2020	2,847,911
Additions	395,998
Valuation changes	133,975
Cash transfer	22,167
Disposals	(423,654)
At 31 December 2020	2,976,397
Carrying amount	
At 31 December 2020	2,976,397
At 31 December 2019	2,847,911

Investments at fair value comprise:

	£
Cash	22,167
Equities	1,969,245
Fixed interest securities	984,985
	2,976,397
The historical cost of the investments held at the balance sheet date was:	2,413,158

17 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	68,678	13,745
Instruments measured at fair value through profit or loss	2,976,397	2,847,911
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	205,172	227,740

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Debtors	Group 2020 £	Group 2019 £
Amounts falling due within one year:		
Other debtors	5,670	6,527
Prepayments and accrued income	63,008	7,218
	68,678	13,745

19 Current asset investments	2020 £	2019 £
Cash deposits	27,593	9,459

Current asset investments relate to cash held by independent fund managers for re-investment.

20 Creditors: amounts falling due within one year	2020 £	2019 £
Other taxation and social security	1,810	1,639
Trade creditors	2,025	1,755
Other creditors	184,576	209,736
Accruals and deferred income	16,761	14,610
	205,172	227,740

21 Share capital

The company has no share capital being limited by guarantee. The members will contribute a maximum of £10 each in the event of liquidation.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Designated funds

The movements on designated funds during the year was as follows:

	Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Investments gains/ (losses)	Balance at 31 December 2020
	£	£	£	£	£
Houston Memorial	674,509	13,805	(8,615)	37,275	716,974
Development and Research	2,186,137	50,612	(80,018)	194,003	2,350,734
Awards and Distinction	553,959	9,910	(11,670)	41,597	593,796
Francesca Miotti Fund	24,388	676	-	(52)	25,012
	<u>3,438,993</u>	<u>75,003</u>	<u>(100,303)</u>	<u>272,823</u>	<u>3,686,516</u>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Designated funds

(Continued)

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes.

Houston Memorial Reserve Fund

This fund is utilised for the provision of special annual awards to deserving students judged by a panel of the Trustees and presented at the Annual Congress. The targeted distribution as set in prior years included a scholarship for research of £60,000 paid every three years equivalent to £20,000 per annum. The Trustees have now reviewed these targets in line with current fund value and the positive returns that have accrued in recent years. As a result of this the Trustees have now set new targets for fund distributions going forward which includes scholarship for research of £90,000 paid every three years equivalent to £30,000 per annum.

In the year under review the total return of both income and accrued capital gains amounted to a gain of £51,080 (2019: £60,499).

Development and Research Fund

This fund is utilised to pay grants and scholarships to research students on a discretionary basis as well as funding any new initiatives determined by the Board which enhance the aims and objectives of the Society. The targeted distribution rate as set in prior years was grants from this fund at a minimum of £50,000 per annum. The Trustees have now reviewed these targets in line with current fund value and the positive returns and additional contributions that have accrued in recent years. As a result of this the Trustees have now set new targets for fund distributions going forward at a minimum of £110,000 per annum. In the year under review distributions were restricted due to the ongoing Coronavirus epidemic.

In the year under review the total return of both income and accrued gains amounted to a gain of £244,615 (2019: £115,992) which included in the current year a gain on revaluation of investment property of £165,161.

Awards and Distinction Fund

This fund is utilised to pay grants on a discretionary basis to teachers where special merit has been achieved. The target for anticipated expenditure in prior years on this fund was £20,000 per annum which includes the Beni Solow award, the Sheldon Friel Award and the Distinguished Teachers Award. The Trustees have now reviewed these targets in line with current fund value and the positive returns that have accrued in recent years. As a result of this the Trustees have now set new targets for fund distributions going forward which includes a targeted distribution rate of £27,500 per annum.

In the year under review the total return of both income and accrued capital gains amounted to a gain of £51,507 (2019: £45,082).

Francesca Miotti Fund

A legacy of £20,000, which was received in 2016 was bequeathed to the Society in memory of Francesca Miotti, a former director and president-elect. The fund was set up with the guidance that it was to be used to fund research and other grants. In the year under review the total return of both income and accrued capital gains amounted to a gain of £624..

Investments

Included in the assets attributable to designated funds are quoted investments of £2,976,397 (2019: £2,847,911) on which there are unrealised gains of £563,239 (2019: £407,202). There is also an interest in investment property held with a value of £762,000 which includes an unrealised gain of £165,161. No separate revaluation reserve is included in these accounts regarding such gains.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2020 are represented by:			
Tangible assets	307,936	-	307,936
Investment properties	-	762,000	762,000
Investments	-	2,976,397	2,976,397
Net current assets	31,464	(51,881)	(20,417)
	<u>339,400</u>	<u>3,686,516</u>	<u>4,025,916</u>

24 Related party transactions

There were no disclosable related party transactions during the year (2019: none).

25 Cash generated from operations

	2020 £	2019 £
Surplus for the year	236,236	541,577
Adjustments for:		
Investment income recognised in profit or loss	(75,004)	(85,789)
Loss/(gain) on disposal of investments	26,313	(15,453)
Fair value loss and gain on investments	(299,136)	(210,386)
Depreciation and impairment of tangible fixed assets	904	885
Movements in working capital:		
(Increase)/Decrease in debtors	(55,023)	210,872
Increase/(decrease) in creditors	(26,167)	10,225
Cash generated from operations	<u>(191,877)</u>	<u>451,931</u>