

**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 2021**

# EUROPEAN ORTHODONTIC SOCIETY

## LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Trustees</b>	Professor D Bister Professor F McDonald Professor C Laspos Professor B Kahl-Nieke Professor O Sorel Professor V Vandeveska-Radunovic Professor D Halazonetis Professor P Crismani Dr D DeFranco Dr M Disse Dr L Barreto Professor Y Ren Professor T Eliades Professor M Cozzani Professor P Fudalej Dr F E Geoghegan Professor G Willems	(Appointed 12 July 2021) (Appointed 8 June 2022) (Appointed 8 June 2022) (Appointed 8 June 2022) (Appointed 8 June 2022)
<b>Secretary</b>	Professor D Bister	
<b>Charlty number</b>	1095190	
<b>Company number</b>	04539916	
<b>Registered office</b>	Flat 20 49 Hallam Street London W1W 6JN	
<b>Independent auditors</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ	
<b>Bankers</b>	Santander UK Plc 2 Triton Square Regents Place London NW1 3AN	
<b>Investment advisors</b>	J. M. Finn & Co 4 Coleman Street London EC2R 5TA	

---

# EUROPEAN ORTHODONTIC SOCIETY

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 9
Statement of Trustees' responsibilities	10
Independent auditor's report	11 - 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 33

---

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

The Trustees present their annual report and consolidated accounts for the year ended 31 December 2021.

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 continued to impact on the Cyprus congress, under the presidency of Professor Christos Laspos in 2021, which was postponed until 2022 with approval of Council. The 96th EOS congress having been cancelled, still had a provisional programme in place. The Council considered the option of an online congress to allow access to members to specialist education and lectures. In agreement with Council, the company TFI-LODESTAR were appointed to support provision of a professional congress organiser.

A full programme was designed after discussion with trustees 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 proposed structure of the topic sessions and keynote lectures, and the appointment of the Sheldon Friel lecturer.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

In view of the previously planned structure and identification of keynote speakers, it was decided that a virtual congress would be offered to the members of the Society alongside the webinar series.

This included some prize presentations as well as the Sheldon Friel lecture by Professor Susan Cunningham. Professor Cunningham waived her payment for this prize due to the finances surrounding the charity.

This online webinar was held on Friday 2nd and Saturday 3rd July 2021. The first lecture was: "The rational use of CBCT and a novel 3D cephalometric analysis in orthodontics" (G Perotti) followed by, "It's not just the teeth....." (S Cunningham). The Saturday session was allocated to the presentation of the Houston oral presentations and some pre-selected poster discussions. This was followed by the presentation of the annual awards of the Society following completion of the judgement of the prize competitions. The lectures provided 17 hours of specialist Continuing Professional Development as defined by the General Dental Council. There were over 550 registered delegates for the online congress from 53 countries.

The online AGM was held afterwards on 3rd July 2021, having served the correct notice to members of the agenda and reports. A total of 61 members attended; all those present were identified as members in good standing.

Both in the survey and at the AGM, members were invited to put forward proposals of talks and other educational opportunities together with any suggestions for future charitable funding or direction of the charity.

#### **Society website**

A major development was a change and upgrade of the website. Within this was the opportunity to 'modernise' the membership application process so that people could take advantage of the educational support offered at a discounted rate. With this modernisation, we are now able to scrutinise the data on membership access including the length of time that members spend accessing the website and the most popular pages. There is also the possibility to add sections of educational relevance.

There will be further development of the website in the following years.

There has been significant interest in the upgraded website with 1200 users initially accessing the site. This number has now risen to over 5000 users who have accessed the site at various times and many on multiple occasions.

#### **Ongoing Educational Development**

In light of the changing profile of future congresses, the trustees considered how best to provide education and networking opportunities for its members, whilst continuing to support the European Journal of Orthodontics (see later), which continued to increase its impact factor.

A professional congress organising company (TFI) was identified, which had previously been involved in the successful organisation of the Congress in Edinburgh in 2018. In discussion with the company and executive members, a possible structure for educational development and a networking programme was devised and put forward 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, albeit 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 and knowledge required to deliver orthodontic treatment to patients. This involved three speakers providing 'state of the art' online lectures available for members and non-members to view, followed by a roundtable discussion with all three speakers. Participants could submit questions in advance of or during the roundtable discussion. The first of these has taken place and the feedback and statistics are being reviewed.

In 2021, the topics were:

Webinar 1: The future of Orthodontics – going back with a fancy vehicle? T Eliades; Current trends in clinical practice and scientific evidence. R Nanda; Go east or go west – non-surgical Class II correction in adult patients. D Wiechmann

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

Webinar 2: Do Class II and crossbite early treatment help to improve oral health? M Ovsenik; Juvenile idiopathic arthritis – an interdisciplinary update. T Klit Pedersen; Bone and orthodontics; Y Ren.

Webinar 3: Periodontal-surgical-orthodontic treatment of impacted canines: what could possibly go wrong? R Rotundo; Unwanted side effects due to inadequate anchorage management and how to avoid them using TADs. B Wilmes; Temporomandibular joint and orthodontics. D Manfredini

Webinar 4: Orthodontics and orthopaedics – more than just cognates. H Korbmacher-Steiner; First steps towards clinical application of smart brackets – a new generation of orthodontic appliances. B Lapatki; Class II treatment in the growing patient: one phase VS two phase approach. L Franchi

In addition, following our discussions with commercial partners, we included a specific webinar on oral health. This was delivered with two lectures: White spot lesions and fixed orthodontic appliances – prevention and treatment. N van der Kaaij; Supporting patients with behaviour change. K Asimakopoulou.

Several members had suspended their membership due to the financial issues caused by the pandemic. Therefore initially, the cost of the webinars and roundtable discussions was kept to a minimum in order to continue to support the educational development of the members. The level of uptake and technical support required was unclear at this time.

The webinars began with over 500 attendees from 35 countries but this declined towards the end of the year. Many online webinars were being offered by commercial companies and it was felt that clinical professionals were being overloaded with online education; this was burdening the clinicians alongside government protocols, the latter changing on a regular basis.

The Distinguished teacher lecture series, which was due to take place in Sofia, Bulgaria and Barcelona, Spain to support postgraduates, was delivered online on the 5th of 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 Czochrowska of Poland. The statistics for this lecture revealed that 459 attendees from 35 countries had registered. 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 second lecture by the next appointed Distinguished Teacher, Björn Ludwig of Germany, entitled 'From enthusiasm to disappointment or back to the future: TADS in the digital age' was delivered in the November of 2021. This had 294 attendees. Both these events had a greater attendance than the previous face-to-face Distinguished Teacher formats.

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) online access provides education to all members of the society as well as non-members (b) the provision of online education reduces the need for members to travel, thus supporting a 'greener' environment and (c) there is a need for the budgets for face-to-face congresses to be restructured and redefined.

#### European Journal of Orthodontics (EJO)

The EJO continues to be a major source of education for orthodontists worldwide. During 2021, 601 original articles were submitted to the EJO (Original articles 454, Randomized Controlled Trials 48, Systematic reviews 90, Commentaries 2, Letters to the Editor 1, Book reviews 4). According to the 2020 Journal Citation Reports® (Thomson Reuters), the impact factor of the EJO increased to 3.08. In the category of Dentistry, Oral Surgery and Medicine the EJO has remained in the 2nd quartile of journals and ranks 29th out of 92. The Journal Impact Factor percentile (JIF percentile) was 69.0%. This significant achievement ensures that high quality research publications are readily available for orthodontists to read worldwide.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

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 incorporation 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, as well as to encourage the spirit of self-improvement among colleagues who are recognised specialists in orthodontics.

There are presently 150 EBO members in Europe, the Middle East and Asia.

Despite the COVID-19 pandemic and the postponement of the 2021 EOS Congress in Cyprus, an online EBO examination was held in June 2021. Full EBO membership was awarded to Niki Arveda, Maria Dolores Campoy Ferrer, Maria Cornelis, Vincenzo Grassia, Roberta Lione, Volkan Özkan, Bachar Reda and Roberto Uomo.

Provisional EBO membership was awarded to Rosaria Bucci, Giulio Gualandi, Raphaëlle Maizeray, Omar Mohamed Mashaly, Stefania Perrotta and Matteo Piergentili.

The 2022 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 will be given on the 14th of May 2022. A total of 27 candidates will be evaluated, 15 for full membership and 12 for provisional membership.

It is proposed that the presentation of successful cases will occur when the face-to-face congresses begin again.

In addition, we have asked for consideration of a presentation, to be included in the main timetable, for the EBO to explain about the assessment and show the standards of care individuals have to aspire to.

#### Liaison with other Societies

The close co-operation that exists with other Societies has continued. Representatives 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 Postgraduate Students Orthodontic Society. Dirk Bister, the EOS representative, attended the meetings of the Platform for Better Oral Health in Europe.

#### 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 continues to include 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 continue to include:

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?

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

06-07-2021; Prof. Vaska Vandeyska-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.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

Unfortunately one of the lectures had to be withdrawn due to the death of the speaker.

There were between 300 and 500 students who attended, although these are only approximate numbers. Figures will be reviewed after each Zoom webinar and future target lectures will be identified.

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

The 15th European Orthodontic Teachers' Forum was held online on the 23rd of June 2021, The title was, "Adults learning in blended learning environments" and was presented/given by J Elen (Faculty of Psychology and Educational Sciences, KU Leuven, Leuven, Belgium).

In the first part, some essential characteristics of learning processes were highlighted. The contribution then discussed the potential of blended learning environments for adult learners. The second lecture was entitled, "Start to blend and teach: a practice format from the master in Family Medicine", and given by : Prof. Dr. Birgitte Schoenmaekers (Head of Academic Teaching Practice Leuven, Professor at the KU Leuven, Department of Public Health and Primary Care.) This presentation focused on blended learning and teaching in a complex learning environment.

Fifty four delegates attended the webinar.

The structure of the Charles Bolender Award, for significant contribution to the delivery of orthodontic knowledge, was also formalised with a sum of 2000 Euros to be made available from equal contributions from EFOSA and the European Orthodontic Society.

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.

The Network continues to work hard to enhance orthodontic education throughout Europe. NEBEOP comprises of 29 full members and 20 provisional members; in total 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.

The board received 8 additional applications for full membership. No site visits were performed during the preceding year due to the COVID-19 pandemic. Eleven re-applications from full members were submitted to the board and the provisional membership application from the University of Zagreb was approved. Site visits will be undertaken as soon as possible depending upon the evolution of the pandemic. Assessors were assigned during the General Assembly Meeting.

Prof Agneta Karsten (Karolinska Institutet, Stockholm) was elected by the General Assembly as NEBEOP secretary-elect.

NEBEOP installed a task force involved with the provision of monthly webinars as a support to postgraduate programmes in orthodontics. The webinars cover topics that involve particular expertise, which is not part of the standard programme offered by all institutions. Experts in the specific field are invited to present related educational materials during the webinar followed by a live discussion with the students. Webinars are organised free of charge for postgraduate students and faculty only. Further questions or elaborations of specific topics can additionally be answered or discussed at the local level of the postgraduate programmes through interactions between students and faculty.

#### Grants

Seven eligible applications for consideration were received in 2021. 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. Dirk Bister (UK) will be the chair of the research committee from June 2021.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

A decision was made to fund four grants:

- 1) 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].
- 2) Anna Westerlund, Maria Ransjö (University of Gothenburg, Sweden) 'Molecular mechanisms in tooth eruption and impaction' [£17,850].
- 3) 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].
- 4) 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 3527 members (including 538 postgraduate students) of the EOS from 84 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 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.

#### Investment performance

A gain on disposal and revaluation of quoted investments accrued in the year of £246,895 (2020 £198,892). 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 24 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 24 for further details.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### Financial review

The net income for the year amounted to £151,266 (2020: £232,636) which includes a gain on revaluation and disposal of investments amounting to £246,895 as described above. The surplus on the publication of the journal was £27,298 (2020: £38,578). There was no surplus on the Congress due to the impact of Covid-19 and cancellations.

The Statement of Financial Activities shows that income from all sources amounted to £549,837 (2020: £418,679). The increase stems primarily from the fact that income was received regarding trading activities in the subsidiary company. There was also an increase in income from annual subscriptions of £14,827 which is mainly due to a change in accounting policy relating to deferred income. Prior to the deferred income adjustment, subscription income would have decreased by £23,625 due to the Covid effect. The income on the sale of publications issued by the society was £153,447 (2020: £163,000). Investment income for the year was £76,306 (2020: £75,004) comprising mainly returns on quoted investments and rental income.

Expenditure increased by £260,441 to the sum of £645,466 (2020: £385,025). The majority of this increase of £177,705 is related to costs incurred by the trading subsidiary in online service provision. Research grants and other awards also increased by £46,912 to the sum of £108,534 (2020: £61,622). Overall management costs, both direct and indirect increased to £190,307 (2020: £150,951). This is mainly as a result of one-off expenditure on website development.

Scrutiny of the balance sheet reveals net assets held by the society of £4,177,182 compared to the prior year figure of £4,025,916 representing an increase of £112,814. Cash retained was £105,652 (2020: £116,077) 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.

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 24 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 24 to the accounts. In order to concord with the reserves policy the sum of £150,000 was transferred from designated funds to general reserve funds in the year (see below). The total of £3,716,049 (2020: £3,686,516) was held as designated funds at the balance sheet date.

At 31 December 2021 the Charity had free reserves of £149,576. (2020: £31,464). 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. In order to keep the general reserves in line with the target the sum of £150,000 was transferred from designated funds to general reserve funds.

The charity had a subsidiary which was liquidated in the prior year (due to the effects of Covid) known as EOS Congress Company Limited. A further distribution was received in the year in this regard of £6,867. In the year the charity formed a new trading subsidiary company known as EOS Trading Company Ltd for the provision of online services to members and for holding the Annual Congress (see note 4 for further details).

The investment portfolio held as at December 2021 had a market value of £3,122,419 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 25% (2020: 34%) with the balance held in equities and funds of 75% (2020: 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.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

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

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. All of these matters have been supported by the formation of a new subsidiary trading company as described above and the appointment of TFI Group to organise online events and other services for members.

### 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 2021 were:

Professor D Bister	
Professor C Katsaros	(Resigned 10 January 2022)
Professor F McDonald	
Professor C Laspos	
Professor B Kahl-Nieke	
Dr J O'Neill	(Resigned 3 July 2021)
Professor O Sorel	
Professor V Vandeveska-Radunovic	
Dr A Puigdollers	(Resigned 8 June 2022)
Dr I Marek	(Resigned 8 June 2022)
Professor P Pirttiniemi	(Resigned 8 June 2022)
Professor D Halazonetis	
Professor P Crismani	
Dr D DeFranco	
Dr M Disse	(Appointed 12 July 2021)
Dr L Barreto	(Appointed 8 June 2022)
Professor Y Ren	(Appointed 8 June 2022)
Professor T Eliades	(Appointed 8 June 2022)
Professor M Cozzani	(Appointed 8 June 2022)
Professor P Fudalej	
Professor G Willens	(Appointed 20 January 2022)

## EUROPEAN ORTHODONTIC SOCIETY

### TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

---

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:

- a) The Presidents Elect and all of the elected positions are elected by a ballot of the membership.
- b) 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.
- c) 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. 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**

In accordance with the charitable company's articles, a resolution proposing that Gerald Edelman LLP be reappointed as auditor of the charitable company will be put at a General Meeting.

#### **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: 24/09/2022

## **EUROPEAN ORTHODONTIC SOCIETY**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

---

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 2021 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 2021 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.

#### 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.

# EUROPEAN ORTHODONTIC SOCIETY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF EUROPEAN ORTHODONTIC SOCIETY

---

#### **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 2021.

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, Charities Act 2011, 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 LLP**

24 September 2022

**Chartered Accountants**

**Statutory Auditor**

73 Cornhill

London

EC3V 3QQ

# EUROPEAN ORTHODONTIC SOCIETY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Designated funds £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Income from charitable activities	3	340,020	-	340,020	343,675
Other trading activities	5	133,511	-	133,511	-
Investment income	6	-	76,306	76,306	75,004
<b>Total income</b>		<b>473,531</b>	<b>76,306</b>	<b>549,837</b>	<b>418,679</b>
<b>Expenditure on:</b>					
Costs of raising funds	7	177,705	37,187	214,892	39,148
Charitable activities	8	330,960	99,614	430,574	345,877
<b>Total expenditure</b>		<b>508,665</b>	<b>136,801</b>	<b>645,466</b>	<b>385,025</b>
<b>Net income/(expenditure) before Investment returns</b>		<b>(35,134)</b>	<b>(60,495)</b>	<b>(95,629)</b>	<b>33,654</b>
Net gain on investments	14	6,867	240,028	246,895	198,982
<b>Net (expenditure)/income before transfers</b>		<b>(28,267)</b>	<b>179,533</b>	<b>151,266</b>	<b>232,636</b>
Gross transfers between funds	24	150,000	(150,000)	-	-
<b>Net income/(expenditure) for the year</b>		<b>121,733</b>	<b>29,533</b>	<b>151,266</b>	<b>232,636</b>
Fund balances at 1 January 2021		339,400	3,686,516	4,025,916	3,793,280
Fund balances at 31 December 2021		461,133	3,716,049	4,177,182	4,025,916

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

# EUROPEAN ORTHODONTIC SOCIETY

## CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed assets</b>					
Tangible assets	15	311,557	307,936	307,182	307,936
Investment properties	16	762,000	762,000	762,000	762,000
Investments	17	3,122,419	2,976,397	3,122,421	2,976,397
		<u>4,195,976</u>	<u>4,046,333</u>	<u>4,191,603</u>	<u>4,046,333</u>
<b>Current assets</b>					
Debtors	19	114,588	68,678	176,984	68,678
Investments	20	3,424	27,593	3,424	27,593
Cash at bank and in hand		102,228	88,484	101,505	88,484
		<u>220,240</u>	<u>184,755</u>	<u>281,913</u>	<u>184,755</u>
<b>Creditors: amounts falling due within one year</b>	21	<u>(239,034)</u>	<u>(205,172)</u>	<u>(236,196)</u>	<u>(205,172)</u>
<b>Net current assets/(liabilities)</b>		<u>(18,794)</u>	<u>(20,417)</u>	<u>45,717</u>	<u>(20,417)</u>
<b>Net assets</b>		<u><u>4,177,182</u></u>	<u><u>4,025,916</u></u>	<u><u>4,237,320</u></u>	<u><u>4,025,916</u></u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	23	3,716,049	3,686,516	3,716,049	3,686,516
General unrestricted funds		461,133	339,400	521,271	339,400
		<u>4,177,182</u>	<u>4,025,916</u>	<u>4,237,320</u>	<u>4,025,916</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 10 September 2022 and were signed on its behalf by:

.....  
Professor F McDonald  
Trustee

Company Registration No. 04539916

# EUROPEAN ORTHODONTIC SOCIETY

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		(181,772)		(195,477)
<b>Investing activities</b>					
Purchase of listed investments		(726,255)		(392,398)	
Proceeds on disposal of listed investments		799,129		397,430	
Investment income		76,306		75,004	
<b>Net cash generated from/ (used in) investing activities</b>			149,180		80,036
<b>Net (decrease)/increase in cash and cash equivalents</b>			(32,592)		(115,441)
Cash and cash equivalents at beginning of year			138,244		253,685
<b>Cash and cash equivalents at end of year</b>			105,652		138,244

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **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 investment property and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary EOS Trading Company Limited on a line-by-line-basis. The subsidiary has the same accounting reference date.

#### **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. Since the year end the charitable company has held its 2022 Annual Congress in Cyprus. 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 on an accruals basis. 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, including rental income, is accounted for on an accruals basis.

Income from trading activities consists of income accruing to the subsidiary EOS Trading Company Limited in the form of fees for services provided.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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 includes the fees incurred in connection with the management of the investment portfolios. Also included are costs relating to the trading subsidiary EOS Trading Company Limited for service provision.

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:

Long leasehold property	
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 the statement of financial activities.

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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.9 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 2021

### 1 Accounting policies

(Continued)

#### 1.10 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.

#### 1.11 Employee benefits

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

#### 1.12 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).

#### 1.13 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 2021

### 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.

#### Investment Property

The Charity's investment property which is held to earn rentals and/or capital appreciation is measured using the fair value model and stated at the fair value as at the reporting date. The trustees have used their experience of the property market and with reference to formal advice from suitably qualified Chartered Surveyors and market evidence of transaction prices of similar properties, have assessed an appropriate value at the year end.

#### Deferred Income

The charity recognises subscriptions from members on an accruals basis. The subscription year is 12 months from when members join. The charity invoices for these fees in advance and therefore deferred income is calculated on the portion of the subscription year which relates to the following period.

### 3 Income from charitable activities

	2021 £	2020 £
Members subscriptions and other fees	185,802	170,975
Examinations	771	9,700
Publications	153,447	163,000
	<u>340,020</u>	<u>343,675</u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Subsidiary company activities

The charity had a wholly owned subsidiary company known as EOS Trading Company Limited which was incorporated in the United Kingdom and is utilised to hold the activities of the Annual Congress and provide online services for members. Any profits generated by the company are paid to the charity under the gift aid scheme.

	2021	2020
	£	£
<b>Profit and Loss Account</b>		
Turnover	133,512	-
Cost of service provision	(177,705)	-
Management expenses	(15,947)	-
Interest receivable	3	-
	<u>          </u>	<u>          </u>
Net loss in the year	(60,137)	-
	<u>          </u>	<u>          </u>

At 31 December 2021 the net assets and reserves of the company were as follows:

	Total 2021	Total 2020
	£	£
<b>Assets and Liabilities</b>		
Fixed assets	4,375	-
Current liabilities	(64,510)	-
	<u>          </u>	<u>          </u>
	(60,135)	-
	<u>          </u>	<u>          </u>
<b>Net Liabilities</b>		
Represented by:		
Share capital	2	-
Reserves	(60,137)	-
	<u>          </u>	<u>          </u>
	(60,135)	-
	<u>          </u>	<u>          </u>

### 5 Other trading activities

	2021	2020
	£	£
Non charitable trading activity via subsidiary	133,511	-
	<u>          </u>	<u>          </u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Investment income

	2021 £	2020 £
Rental income	16,197	14,414
Income from listed investments	60,030	60,589
Bank interest receivable	79	1
<b>For the year ended 31 December 2021</b>	<b>76,306</b>	<b>75,004</b>
For the year ended 31 December 2020		75,004

### 7 Costs of raising funds

	Unrestricted funds £	Designated funds £	Total 2021 £	Total 2020 £
<u>Fundraising and publicity</u>				
Advertising	-	-	-	467
Investment property expenses	-	6,942	6,942	5,608
<b>Fundraising and publicity</b>	<b>-</b>	<b>6,942</b>	<b>6,942</b>	<b>6,075</b>
<u>Trading costs</u>				
Operating trading company undertaking non-charitable trading activity	177,705	-	177,705	-
<b>Investment managers' fees</b>	<b>-</b>	<b>30,245</b>	<b>30,245</b>	<b>33,073</b>
	<b>177,705</b>	<b>37,187</b>	<b>214,892</b>	<b>39,148</b>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Charitable activities

	Unrestricted funds £	Designated funds £	Total 2021 £	Total 2020 £
Cost of publications	126,149	-	126,149	124,422
European Board of Orthodontists exam costs	183	-	183	825
Executive meetings	1,801	-	1,801	4,457
Professional fees	3,600	-	3,600	3,600
	<u>131,733</u>	<u>-</u>	<u>131,733</u>	<u>133,304</u>
Grant funding of activities (see note 9)	8,920	99,614	108,534	61,622
Support costs (including governance costs (see note 10))	190,307	-	190,307	150,951
	<u>190,307</u>	<u>-</u>	<u>190,307</u>	<u>150,951</u>
<b>For the year ended 31 December 2021</b>	<b><u>330,960</u></b>	<b><u>99,614</u></b>	<b><u>430,574</u></b>	<b><u>345,877</u></b>
For the year ended 31 December 2020	284,255	61,622		345,877
	<u>284,255</u>	<u>61,622</u>		<u>345,877</u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Research grants	96,529	56,914
Other grants	12,005	4,708
	<u>108,534</u>	<u>61,622</u>
	<u>108,534</u>	<u>61,622</u>

### 10 Support costs (including governance costs)

	2021 £	2020 £
Staff costs	67,814	67,051
Depreciation	2,211	904
Council meetings	-	2,799
Rent and rates	10,086	10,719
Insurance	375	898
Stationery and printing	1,776	398
Telephone and postage	3,142	16,144
Computer and website expenses	52,882	8,331
Light, heat and sundries	6,625	4,645
Bank and credit card charges	6,788	5,400
Accountancy	7,900	5,946
Repairs	1,868	-
<b>Governance costs</b>		
Audit fees	11,528	12,853
Legal and professional	17,312	14,863
	<u>190,307</u>	<u>150,951</u>

### 11 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	2,211	904
Investments revaluation	129,096	299,136
	<u>131,307</u>	<u>300,040</u>

### 12 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, 9 (2020: 6) of them were reimbursed a total of £7,435 (2020 £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 2021

### 13 Employees

The average number of employees during the year was:

Administration	2	2
----------------	---	---

Employment costs	2021 £	2020 £
Wages and salaries	63,545	63,714
Social security costs	2,332	2,395
Training and other costs	991	-
Other pension costs	946	942
	<u>67,814</u>	<u>67,051</u>

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

### 14 Net gains/(losses) on investments

	Unrestricted funds £	Unrestricted funds designated £	Total 2021 £	Total 2020 £
Revaluation of investments	-	129,096	129,096	299,136
Disposal of investments	-	110,932	110,932	(26,313)
Disposal of unquoted investments	6,867	-	6,867	(73,841)
	<u>6,867</u>	<u>240,028</u>	<u>246,895</u>	<u>198,982</u>
<b>For the year ended 31 December 2020</b>	<u>(73,841)</u>	<u>272,823</u>		<u>198,982</u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Tangible fixed assets

Group and Charity	Long leasehold property	Computers	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	302,231	30,000	42,512	374,743
Additions	-	5,832	-	5,832
At 31 December 2021	302,231	35,832	42,512	380,575
<b>Depreciation and impairment</b>				
At 1 January 2021	-	28,782	38,025	66,807
Depreciation charged in the year	-	1,763	448	2,211
At 31 December 2021	-	30,545	38,473	69,018
<b>Carrying amount</b>				
At 31 December 2021	302,231	5,287	4,039	311,557
At 31 December 2020	302,231	1,218	4,487	307,936
<b>Charity</b>				
	Long leasehold property	Computers	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	302,231	30,000	42,512	374,743
Additions	-	-	-	-
At 31 December 2021	302,231	30,000	42,512	374,743
<b>Depreciation and impairment</b>				
At 1 January 2021	-	28,782	38,025	66,807
Depreciation charged in the year	-	305	448	753
At 31 December 2021	-	29,087	38,473	67,560
<b>Carrying amount</b>				
At 31 December 2021	302,231	913	4,039	307,183
At 31 December 2020	302,231	1,218	4,487	307,936

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.

## EUROPEAN ORTHODONTIC SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**16 Investment property**

	<b>2021</b>
	<b>£</b>
<b>Carrying value</b>	
At 1 January and 31 December 2021	762,000
	<u><u>          </u></u>
<b>Historic cost</b>	
At 31 December 2021	596,839
	<u><u>          </u></u>
At 31 December 2020	596,839
	<u><u>          </u></u>

The fair value of the investment property was based on market evidence of transaction prices for similar properties at December 2021.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Fixed asset investments

		Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Investments in subsidiaries	18	-	-	2	-
Listed investments		3,122,419	2,976,397	3,122,419	2,976,397
		<u>3,122,419</u>	<u>2,976,397</u>	<u>3,122,421</u>	<u>2,976,397</u>

### Movements in fixed asset investments

	Equities, funds & bonds £
<b>Cost or valuation</b>	
At 1 January 2021	2,976,397
Additions	726,255
Valuation changes	129,096
Cash transfer	(22,232)
Disposals	(687,097)
At 31 December 2021	<u>3,122,419</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>3,122,419</u>
At 31 December 2020	<u>2,976,397</u>

Investments at fair value comprise:

	£
UK Equities and Funds	1,569,481
UK Fixed Interest Securities	778,054
Foreign Equities and Funds	774,884
	<u>3,122,419</u>

The historical cost of the investments held at the balance sheet date was:	<u>2,452,455</u>
--	------------------

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 18 Subsidiaries

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect	
EOS Trading Company Ltd	United Kingdom Conference management	Ordinary shares	100.00	-

Please see note 4 for further details regarding the subsidiary company.

19 Debtors	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Amounts falling due within one year:				
Amounts due from subsidiary undertakings	-	-	163,725	-
Other debtors	26,152	5,670	5,097	5,670
Prepayments and accrued income	88,436	63,008	8,162	63,008
	<u>114,588</u>	<u>68,678</u>	<u>176,984</u>	<u>68,678</u>

20 Current asset investments		
Group and charity	2021 £	2020 £
Cash deposits	<u>3,424</u>	<u>27,593</u>

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

21 Creditors: amounts falling due within one year	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Other taxation and social security	1,687	1,810	1,687	1,810
Trade creditors	4,046	2,025	4,046	2,025
Other creditors	207,955	184,576	207,955	184,576
Accruals and deferred income	25,346	16,761	22,509	16,761
	<u>239,034</u>	<u>205,172</u>	<u>236,167</u>	<u>205,172</u>

### 22 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 2021

### 23 Designated funds

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

	Movement in funds					
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers Investments gains/(losses) £		Balance at 31 December 2021 £
Houston Memorial	716,974	11,868	(7,442)	-	55,606	777,006
Development and Research	2,350,734	54,215	(120,038)	(150,000)	146,555	2,281,466
Awards and Distinction	593,796	9,400	(9,321)	-	35,707	629,582
Francesca Miotti Fund	25,012	823	-	-	2,160	27,995
	<u>3,686,516</u>	<u>76,306</u>	<u>(136,801)</u>	<u>(150,000)</u>	<u>240,028</u>	<u>3,716,049</u>

A transfer was made of £150,000 to general reserve funds in accordance with reserve policy.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 23 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 £67,474 (2020: £51,080).

#### **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. A transfer was made of £150,000 to general reserve funds in accordance with reserve policy. This will not affect the maintenance of the distribution targets as previously detailed. 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 £200,770 (2020: £244,615).

#### **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 £45,107 (2020: £51,507).

#### **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 £2,983.

#### **Investments**

Included in the assets attributable to designated funds are quoted investments of £3,122,419 (2020: £2,976,397) on which there are unrealised gains of £669,964 (2020: £563,239). 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 2021

### 24 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2021 are represented by:			
Tangible assets	311,557	-	311,557
Investment properties	-	762,000	762,000
Investments	150,000	2,972,419	3,122,419
Net current assets	(424)	(18,370)	(18,794)
	<u>461,133</u>	<u>3,716,049</u>	<u>4,177,182</u>

### 25 Related party transactions

There were no disclosable related party transactions during the year (2020: none).

### 26 Cash generated from operations

	2021 £	2020 £
Surplus for the year	112,814	232,636
Adjustments for:		
Investment income recognised in profit or loss	(76,306)	(75,004)
(Gain)/loss on disposal of investments	(110,932)	26,313
Fair value loss and gain on investments	(129,096)	(299,136)
Other gains/(losses)	(6,867)	-
Depreciation and impairment of tangible fixed assets	2,211	904
Movements in working capital:		
(Increase)/Decrease in debtors	(45,910)	(55,023)
Increase/(decrease) in creditors	72,314	(26,167)
<b>Cash generated from operations</b>	<u>(181,772)</u>	<u>(195,477)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.