

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 2022

EUROPEAN ORTHODONTIC SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor D Bister	
	Professor F McDonald	
	Professor C Laspos	
	Professor B Kahl-Nieke	
	Professor V Vandeveska-Radunovic	
	Professor D Halazonetis	
	Professor P Crismani	
	Dr M Disse	
	Dr L Barreto	(Appointed 6 June 2022)
	Professor Y Ren	(Appointed 6 June 2022)
	Professor T Eliades	(Appointed 6 June 2022)
	Professor M Cozzani	(Appointed 6 June 2022)
	Professor P Fudalej	
Secretary	Dr F E Geoghegan	
	Professor A Caprioglio	(Appointed 19 June 2023)
	Professor A Puigollers	(Appointed 19 June 2023)
Charity number	1095190	
Company number	04539916	
Registered office	Flat 20 49 Hallam Street London W1W 6JN	
Independent auditors	Gerald Edelman LLP 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

CONTENTS

	Page
Group Trustees' report	1 - 8
Statement of Group Trustees' responsibilities	9
Independent auditor's report	10 - 13
Consolidated statement of financial activities	14
Consolidated balance sheet	15
Consolidated statement of cash flows	16
Notes to the consolidated financial statements	17 - 30

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and consolidated accounts of European Orthodontic Society ("EOS" or "Society") for the year ended 31 December 2022.

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 EOS 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 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. The EOS congress continues to be a major source of education for the membership and is attended by both members and non-EOS members. The 97th Congress of the Society was held at the Carob Mill, Limassol, Cyprus, from the 31st May to the 3rd June 2022 and was attended by 1,260 delegates.

The meeting commenced with the European Postgraduate Students Orthodontic Society's (EPSOS) 18th Annual Meeting on Monday, 30th May 2022. The European Federation of Specialists Associations (EFOSA) held their General Assembly on Tuesday, 31st May 2022, alongside the 15th NEBEOP Annual Meeting followed by the 16th European Orthodontic Teachers' Forum that was attended by 60 attendees. The pre-congress course on that day, entitled: 'How to select and use skeletal anchorage for your patients', was given by Giuliano and Giovanna Maino (Italy) and was attended by 90 delegates. The postgraduate course on 'Ninety years of cephalometrics. Ready for something new?' given by Demetrios Halazonetis (Greece), was attended by 135 postgraduates from over 40 countries. Both courses were popular and received excellent feedback.

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

In the evening of Tuesday, 31st May 2022, the President, Chris Laspos, welcomed everyone at the Welcome Reception at the Carob Mill for the opening of the trade exhibition at which over 20 exhibitors were present and where delegates were able to renew and make new contacts.

The scientific programme commenced on Wednesday, 1st June 2022 with three Houston Oral Research presentations given by Dimitrios Kouklos of Switzerland, Rosaria Bucci of Italy and Ian Schuepbach of Switzerland, on the topics of 'Does incisor inclination change during orthodontic treatment affect gingival thickness and width of keratinized gingiva? A prospective controlled study', 'Effect of orthopaedic and functional orthodontic treatment in children with obstructive sleep apnoea: a systematic review and meta-analysis', and 'Longitudinal changes of the insertion of the maxillary labial frenum in children and adolescents undergoing orthodontic treatment', respectively. These were followed by the Sheldon Friel Lecture given by Christos Katsaros (Switzerland). His presentation on 'Is orthodontic tooth movement a risk factor for the development of gingival recession?' covered the association between orthodontic tooth movement and the development of gingival recession. The keynote speakers for the morning session were Ute Schneider-Moser of Italy and Zoe Nicolaou of Cyprus on the clinical subjects of 'Complex interdisciplinary adult patients' and 'Treating Facial Asymmetries. Tips for Optimal Results'. The keynote speakers for the afternoon session were Cesare Luzi of Italy, Nikolaos Pandis of Switzerland and Juan Carlos Perez Varela of Spain on the topics of 'Ortho-prosthodontic synergy: strategies to limit invasivity and to enhance aesthetic results', 'Waste in dental research' and 'Treatment of Maxillary Skeletal Hypoplasia. Is there only one way?', respectively. Short oral presentations were given during the day by delegates from a number of countries.

The keynote lectures on Thursday, 2nd June 2022, covered the topics of 'Pursuing Excellence in Aligner Orthodontics' (Gina Theodoridis, Greece), '3-D root control with the lingual appliance' (Dirk Wiechmann, Germany), 'Aesthetic rehabilitations according to face and smile design' (Andrea Ricci, Italy) and 'New Technology in Treatment of Interdisciplinary Cases' (Domingo Martin, Spain). During the lunch break, the European Journal of Orthodontics (EJO) open session focussed on 'Gender gap in orthodontics, time for action?' with contributions from Alexandra Papadopoulou of Switzerland; Despina Koletsi of Switzerland; Fraser McDonald of the UK. There was significant audience participation in this quick-fire debate. The poster session, at which presenters stand by their posters allowing those interested in the topic to discuss their research and findings, took place in the afternoon. Just over 300 posters were on display on a wide variety of subjects.

The morning session on Friday, 3rd June 2022, was on Free Topics with keynote lectures by Rolf G. Behrents of the USA on 'The consequence of adult growth' and Dimitrios Mavreas of Greece on 'Facial rejuvenation and the role of orthodontics', with short presentations on temporomandibular disorders, dentoskeletal and soft tissue changes related to premolar extractions, and treatment of impacted maxillary canines.

Chris Laspos then passed the badge of office to the incoming 2023 President, Vaska Vandevska-Radunovic, who will hold the 98th Annual Congress in Oslo, Norway in 2023. Vaska Vandevska-Radunovic gave an engaging presentation to invite delegates to the next congress. Following this, the Awards Ceremony included presentations to: Stavros Kiliaridis (EOS Distinguished Teacher 2022), Dimitrios Kloukos, Switzerland (Houston Research Oral Presentation winner), and Aikaterini Lagou, Greece (Houston Research Scientific Poster winner). The EOS poster prize winners were Ute Ulrike Botzenhart (Germany), Fabrizia D'Apuzzo (Italy), Hanna Enerbäck (Sweden), Natalie Schenz-Spiscand (Austria) and Hedieh Setayesh (Sweden). The Francesca Miotti Award for the best clinical poster was awarded to Julie Decreus (Belgium). The winner of the Beni Solow Award for the best article published in the European Journal of Orthodontics in 2021 was Margitha Björksved *et al.* (Sweden).

The keynote lecturers for the afternoon session were Giuliano Maino of Italy on 'Digital chairside technology and skeletal anchorage in daily practice' and Gregory Antonarakis of Switzerland on 'Orthodontics and the special needs patient: the road less travelled', which provided information, respectively, on how the use of digital technology and an appropriate planning technique (MAPA) can enable the correction of many clinical cases in different types of malocclusion both in young and adult patients, and on what the specific problems related to orthodontics are for children with disabilities and other special needs, as well as the aetiology of these problems.

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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

Following the aftermath of Covid 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 add to the way the Society provides its public benefits opting for the provision of an additional online service. This took the form of quarterly specialised webinars only targeting specific aspects of professional development and knowledge required to deliver orthodontic treatment to patients. This service is available to members and non-members to view, followed by a roundtable discussion with all the speakers. Participants could submit questions in advance of or during the roundtable discussion.

European Journal of Orthodontics (EJO)

The EJO continues to be a major source of education for orthodontists worldwide. During 2022, 451 original articles were submitted to the EJO (Original articles 344, Randomized Controlled Trials 37, Systematic reviews 62, Narrative reviews 3, Commentaries 1, Letters to the Editor 2, Book reviews 2). According to the 2021 Journal Citation Reports® (Thomson Reuters), the impact factor of the EJO was 3.13. In the category of Dentistry, Oral Surgery & Medicine the EJO has remained in the 2nd quartile of journals and ranks 36th out of 92. The Journal Impact Factor percentile (JIF percentile) was 61.41. 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 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.

An online EBO examination was held in May 2022. Full EBO membership was awarded to Erica Barina, Marzia Fornasetti, Maja Ovsenik, Laura Siviero, Carlo Zagoreo, Claudia Notaristefano, Daniele Scarpa, Maria Elena Grecolini, Gregory Antonarakis, and Giuliana Laino.

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Provisional EBO membership was awarded to Elie Haddad, Guido Fichera, Katharina Eva Kocher, Sara Khamis, Melanie Le Ven, Jeremy Ohayon, Michelle El-Cheikie, Corine Samaha, Hiba Tannous, Christophe Zgheib, and Noémie Copelovici.

An EBO presentation was included in the scientific session of the 2022 EOS Congress in Cyprus to explain its mission and show the standards of orthodontic care individuals have to aspire to. In addition, the EBO had a case display room in Cyprus for the delegates to view the cases of the new EBO members.

The 2023 EBO examination will be held completely online, the candidates must submit their cases digitally via a secure link and an oral examination will be given on the 13th May 2023. A total of 26 candidates will be evaluated, 18 for full membership and 8 for provisional membership.

In addition, an EBO presentation will be included in the scientific session of the 2023 EOS Congress in Oslo. The objectives of the EBO will be presented as well as two clinical cases demonstrating high standards of orthodontic care. There will also be an EBO case display room at the EOS Congress in Oslo.

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

The 16th European Orthodontic Teachers' Forum (EOTF) was held on 31st May 2022 in Limassol, Cyprus with the following chairpersons: Guy Willems, Andreu Puigdollers, Vaska Vandevska-Radunovic, Agneta Karsten

There were 60 people registered, but only 37 signed the attendance list. Five more attendees were not previously registered. The topic was 'Assessing competence with high stakes examinations' and the meeting was opened by Professors Andreu Puigdollers and Agneta Karsten.

The goals of the NEBEOP organisation were reinforced. Members were reminded of the website for full membership application procedure and bylaws: see <http://www.nebeop.org>.

The EOTF aims to be an open forum for everybody involved in strengthening orthodontic teaching and has covered many pedagogic topics in the past.

Dr. Melissa Disse, President of EFOSA presented the Charles Bolender Award. Charles Bolender was a founding member and the first President of EFOSA. The award is given to a teacher or teachers, involved with orthodontic education, who have been identified with specific educational skills enhancing the delivery of specialist orthodontic knowledge. This year's award goes to Associate Professor, Dr. Magnus Hultin, from Umeå University, Sweden. It is part funded by the European Orthodontic Society and part by EFOSA.

'Assessing Competence with High Stakes Exams' was presented by Associate Professor, Dr. Magnus Hultin. Anesthesiology and Critical Care Medicine. Associate Dean of Clinical Education. 7 years as Program Director of Umeå Medical Program in Sweden. Chair Swedish Proficiency test for Medical Doctors. Umeå University, Umeå, Sweden.

The objective of the presentation was to give an overview of how to set up a high stakes assessments which measure both theoretical knowledge and practical skills. This was reviewed alongside the six years experiences of setting up and running the Swedish Proficiency Test for Medical Doctors. The different topics of the lecture were divided in different parts along with practical exercises done by the attendees in preformed groups.

As a background, Prof. Hultin started explaining the experience with the Proficiency Test done in Sweden to Medical Doctors trained outside UE/EES. Specifically, the experience of admission in Sweden the Medical Doctors that came to the Syrian refugee crisis.

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Grants

Eligible applications for consideration are all were sent for external refereeing and then considered by the members of the Grants Committee Lorenzo Franchi (Italy), Thomas Prager (Switzerland), Maria Ransjo (Sweden), Bart Vande Vannet (France), and Dirk Bister (UK). In the prior year a decision was made to fund three grants as per below:

- Britta Jung (Freiburg University, Germany) Influence of the bracket position on the composition of the oral microbiotome. A comparison between vestibular and lingual multibracket treatment (Euros 20,000)
- Bing Hu (University of Plymouth, UK) Decoding the role of autophagy in periodontal ligament mesenchymal cell protection during orthodontic tooth movement (28,538).
- Maisa Seppala (King's College London) An investigation of genetic variation in human tooth eruption defects (£29,905.30).

In the year under review two grants were awarded:

- Erwin Jonke (University of Vienna) Immune cell type composition in human saliva.
- Edwin Ongkosuwito/von den Hoff (Radboud UMC Nijmegen) Exosomes from oral stem cells to improve cleft palate repair.

The effects of the pandemic still impact on the ability to deliver research and hence the claims of the approved grants are still slow.

EOS Membership

There are currently 2738 members (including 567 postgraduate students) of the EOS from 80 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.

Investment performance

A loss on disposal and revaluation of quoted investments accrued in the year of £577,686 (2021: gain £246,895). 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 21 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 21 for further details.

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The net expenditure for the year amounted to £532,108 (2021: income £151,266) which includes a loss on revaluation and disposal of investments amounting to £577,686 as described under 'Investment Performance'. The surplus on the publication of the journal was £63,503 (2021: £27,298). There was a surplus on the Congress and other EOS Trading Limited activities of £40,390 (2021; deficit £60,137).

The Statement of Financial Activities shows that income from all sources amounted to £1,091,890 (2021: £549,837). The increase is primarily due to income received from EOS Trading Limited during the year of £778,531 which relates to the Congress held in Cyprus and other trading activities. There was also a decrease in income from annual subscriptions of £119,795 which is mainly due to a change in subscription policy at the end of 2021. The income on the sale of publications issued by the society was £162,866 (2021 £153,447). Investment income for the year was £84,486 (2021: £76,306) comprising mainly returns on quoted investments and rental income.

Expenditure increased by £400,846 to the sum of £1,046,312 (2021: £645,466). The majority of this increase is related to the annual congress and other EOS Trading Limited activities, with costs in the sum of £737,994. Research grants and other awards decreased by £62,504 to the sum of £46,030 (2021: £108,534). Overall management costs, both direct and indirect decreased to £104,030 (2021: £190,307). This is mainly as a result of one-off expenditure on website development in 2021 and a reduction in staff in the 2022 due to retirement.

Scrutiny of the balance sheet reveals net assets held by the society of £3,645,074 compared to the prior year figure of £4,177,182 representing an decrease of £532,108. Cash at bank retained was £168,978(2021: £102,228) at the balance sheet date and cash deposits held by independent fund managers was £20,684 (2021: £3,424). 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 held for investment purposes which had a market value of £615,000 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. Four funds have been established as described in note 21 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 21 to the accounts. The total of £3,149,930 (2021: £3,716,049) was held as designated funds at the balance sheet date.

At 31 December 2022 the Charity had free reserves of £185,285 (2021 £149,576). 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 aim was met in the 2022 accounting period.

The investment portfolio held as at December 2022 had a market value of £2,732,878 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 21% (2021 - 25%) with the balance held in equities and funds of 79% (2021: 75%). A loss on disposal and revaluation of investments accrued in the year of £577,686. Of this sum £430,686 related to quoted investments due to unstable financial markets reaction to the Ukraine war and the economic consequences thereof. The remaining balance of £147,000 related to the London Investment Property.

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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

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 2022 were:

Professor D Bister	
Professor C Katsaros	(Resigned 10 January 2022)
Professor F McDonald	
Professor C Laspos	
Professor B Kahl-Nieke	
Professor O Sorel	(Resigned 19 June 2023)
Professor V Vandeveska-Radunovic	
Dr A Puigdollers	(Resigned 6 June 2022)
Dr I Marek	(Resigned 6 June 2022)
Professor P Pirtiniemi	(Resigned 6 June 2022)
Professor D Halazonetis	
Professor P Crismani	
Dr D DeFranco	(Resigned 19 June 2023)
Dr M Disse	
Dr L Barreto	(Appointed 6 June 2022)
Professor Y Ren	(Appointed 6 June 2022)
Professor T Eliades	(Appointed 6 June 2022)
Professor M Cozzani	(Appointed 6 June 2022)
Professor P Fudalej	
Dr F E Geoghegan	
Professor G Willems	(Appointed 10 January 2022 and resigned 19 June 2023)
Professor A Caprioglio	(Appointed 19 June 2023)
Professor A Puigollers	(Appointed 19 June 2023)

EUROPEAN ORTHODONTIC SOCIETY

GROUP TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Auditors

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

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they were aware which is relevant to the audit, but of which the auditors are 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:

EUROPEAN ORTHODONTIC SOCIETY

STATEMENT OF GROUP TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows and notes to the consolidated financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

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 2022 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 Group 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 Group Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Group 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 Group 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 Group Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Group 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 2022.

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 society 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

.....

Chartered Accountants

Statutory Auditor

73 Cornhill
London
EC3V 3QQ

EUROPEAN ORTHODONTIC SOCIETY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Designated funds £	Total 2022 £	Total 2021 £
Income from:					
Income from charitable activities	3	1,007,404	-	1,007,404	473,531
Investment income	5	505	83,981	84,486	76,306
Total income		1,007,909	83,981	1,091,890	549,837
Expenditure on:					
Costs of raising funds	6	99,363	35,403	134,766	214,892
Charitable activities	7	874,535	37,011	911,546	430,574
Total expenditure		973,898	72,414	1,046,312	645,466
Net (expenditure)/income before investment returns		34,011	11,567	45,578	(95,629)
Net (loss)/gain on investments	13	-	(577,686)	(577,686)	246,895
Net (expenditure)/income for the year		34,011	(566,119)	(532,108)	151,266
Fund balances at 1 January 2022		461,133	3,716,049	4,177,182	4,025,916
Fund balances at 31 December 2022		495,144	3,149,930	3,645,074	4,177,182

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 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	14	309,859	311,557	306,578	307,182
Investment properties	15	615,000	762,000	615,000	762,000
Investments	16	2,732,878	3,122,419	2,732,880	3,122,421
		<u>3,657,737</u>	<u>4,195,976</u>	<u>3,654,458</u>	<u>4,191,603</u>
Current assets					
Debtors	18	144,955	114,588	192,596	176,984
Cash at bank and in hand		189,662	105,652	134,206	104,929
		<u>334,617</u>	<u>220,240</u>	<u>326,802</u>	<u>281,913</u>
Creditors: amounts falling due within one year	19	<u>(347,280)</u>	<u>(239,034)</u>	<u>(316,438)</u>	<u>(236,196)</u>
Net current assets/(liabilities)		<u>(12,663)</u>	<u>(18,794)</u>	<u>10,364</u>	<u>45,717</u>
Net assets		<u>3,645,074</u>	<u>4,177,182</u>	<u>3,664,822</u>	<u>4,237,320</u>
Income Funds					
<u>Unrestricted funds</u>					
Designated funds	21	3,149,930	3,716,049	3,149,930	3,716,049
General unrestricted funds		495,144	461,133	514,892	521,271
		<u>3,645,074</u>	<u>4,177,182</u>	<u>3,664,822</u>	<u>4,237,320</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.

As permitted by s408 Companies Act 2006, the charity has not presented its own Statement of Financial Activities and related notes. The charity's net expenditure for the year was £532,108 (2021: income £151,266).

The financial statements were approved by the Board and authorised for issue on 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 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24		40,669		(181,772)
Investing activities					
Purchase of listed investments		(1,037,252)		(726,255)	
Proceeds on disposal of listed investments		996,107		799,129	
Investment income		84,486		76,306	
Net cash generated from/ (used in) investing activities			43,341		149,180
Net (decrease)/increase in cash and cash equivalents			84,010		(32,592)
Cash and cash equivalents at beginning of year			105,652		138,244
Cash and cash equivalents at end of year			189,662		105,652

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). 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. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by *Companies Act* 2006, s. 408.

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 2023 Annual Congress in Oslo from which a surplus accrued. 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.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Charitable expenditure relates to grants payable as well as costs of services and activities provided to members of the charity including those relating to the annual congress. 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	Over the lease term
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 2022

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 2022

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 recognizes members' subscriptions on an accrual basis. The subscription period spans 12 months from the time members join. The Charity invoices for these fees are issued by the charity in advance. Consequently, deferred income is calculated based on the portion of the subscription year that pertains to the subsequent period.

3 Income from charitable activities

	2022 £	2021 £
Members subscriptions and other fees	66,007	185,802
Examinations	-	771
Publications	162,866	153,447
Congress income	778,531	133,511
	<u>1,007,404</u>	<u>473,531</u>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Subsidiary company activities

The charity owns a wholly owned subsidiary company known as EOS Trading Company Limited (registration 13198308) 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.

	2022	2021
	£	£
Profit and Loss Account		
Turnover	778,531	133,512
Cost of service provision	(723,912)	(177,705)
Management expenses	(14,383)	(15,947)
Interest receivable	154	3
	<u>40,390</u>	<u>(60,137)</u>
At 31 December 2022 the net assets and reserves of the company were as follows:		
	Total 2022	Total 2021
	£	£
Assets and Liabilities		
Fixed assets	3,281	4,375
Current liabilities	(23,026)	(64,510)
	<u>(19,745)</u>	<u>(60,135)</u>
Net Liabilities		
Represented by:		
Share capital	2	2
Reserves	(19,747)	(60,137)
	<u>(19,745)</u>	<u>(60,135)</u>

5 Investment income

	Unrestricted funds £	Designated funds £	Total 2022 £	Total 2021 £
Rental income	351	23,027	23,378	16,197
Income from listed investments	-	60,954	60,954	60,030
Bank interest receivable	154	-	154	79
	<u>505</u>	<u>83,981</u>	<u>84,486</u>	<u>76,306</u>
For the year ended 31 December 2022				
	<u>505</u>	<u>83,981</u>	<u>84,486</u>	<u>76,306</u>
For the year ended 31 December 2021	79	60,030		76,306
	<u>79</u>	<u>60,030</u>		<u>76,306</u>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Costs of raising funds

	Unrestricted funds £	Designated funds £	Total 2022 £	Total 2021 £
Investment property expenses	-	11,375	11,375	6,942
Publications	99,363	-	99,363	177,705
Investment managers' fees	-	24,028	24,028	30,245
	<u>99,363</u>	<u>35,403</u>	<u>134,766</u>	<u>214,892</u>

7 Charitable activities

	Unrestricted funds £	Designated funds £	Total 2022 £	Total 2021 £
Cost of publications	124,665	-	124,665	126,149
European Board of Orthodontists exam costs	-	-	-	183
Executive meetings	3,293	-	3,293	1,801
Professional fees	3,600	-	3,600	3,600
Other charitable expenditure	5,379	-	5,379	-
Congress expenditure	624,549	-	624,549	-
	<u>761,486</u>	<u>-</u>	<u>761,486</u>	<u>131,733</u>
Grant funding of activities (see note 8)	9,019	37,011	46,030	108,534
Support costs (including governance costs (see note 9))	104,030	-	104,030	190,307
For the year ended 31 December 2022	<u>874,535</u>	<u>37,011</u>	<u>911,546</u>	<u>430,574</u>
For the year ended 31 December 2021	<u>330,960</u>	<u>99,614</u>		<u>430,574</u>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Grants payable

	2022 £	2021 £
Grants to institutions:		
Research grants	33,147	96,529
Other grants	12,883	12,005
	<u>46,030</u>	<u>108,534</u>

9 Support costs (including governance costs)

	2022 £	2021 £
Staff costs	36,009	67,814
Depreciation	1,699	2,211
Travel Costs	520	-
Rent and rates	9,729	10,086
Insurance	654	375
Stationery and printing	840	1,776
Telephone and postage	634	3,142
Computer and website expenses	12,598	52,882
Light, heat and sundries	4,670	6,625
Bank and credit card charges	9,846	6,788
Accountancy	7,500	7,900
Repairs	-	1,868
Governance costs		
Audit fees	10,700	11,528
Legal and professional	8,631	17,312
	<u>104,030</u>	<u>190,307</u>

10 Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	1,699	2,211
Investments revaluation	(629,428)	129,096
	<u></u>	<u></u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	1	2

Employment costs

	2022 £	2021 £
Wages and salaries	33,656	63,545
Social security costs	271	2,332
Training and other costs	1,072	991
Other pension costs	1,010	946
	<u>36,009</u>	<u>67,814</u>

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

13 Net (losses)/gains on investments

	2022 £	2021 £
Revaluation of quoted investments	(482,428)	129,096
Disposal of investments	51,742	110,932
Disposal of unquoted investments	-	6,867
Revaluation of investment property	(147,000)	-
	<u>(577,686)</u>	<u>246,895</u>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

Group and Charity

	Long leasehold property £	Computers £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2022	302,231	35,833	42,512	380,576
At 31 December 2022	302,231	35,833	42,512	380,576
Depreciation and impairment				
At 1 January 2022	-	30,545	38,473	69,018
Depreciation charged in the year	-	1,305	394	1,699
At 31 December 2022	-	31,850	38,867	70,717
Carrying amount				
At 31 December 2022	302,231	3,983	3,645	309,859
At 31 December 2021	302,231	5,288	4,039	311,557

Charity

	Long leasehold property £	Computers £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2022	302,231	30,000	42,512	374,743
Additions	-	-	-	-
At 31 December 2022	302,231	30,000	42,512	374,743
Depreciation and impairment				
At 1 January 2022	-	29,087	38,473	67,560
Depreciation charged in the year	-	211	394	605
At 31 December 2022	-	29,298	38,867	68,165
Carrying amount				
At 31 December 2022	302,231	702	3,645	306,578
At 31 December 2021	302,231	913	4,039	307,182

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

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Investment property

	2022 £
Carrying value	
At 1 January 2022	762,000
Revaluation	(147,000)
	<u>615,000</u>
At 31 December 2022	<u>615,000</u>
Historic cost	
At 31 December 2022	596,839
	<u>596,839</u>
At 31 December 2021	<u>596,839</u>

The fair value of the investment property is based on the valuation conducted by Mylako Limited on 10 February 2023.

The valuation is carried under section 119 of Charities Act 2011 and is completed based on open market value (as defined in VVPS9(1.3) of the RICS Valuation Standards and RICS Red Book (UK Edition).

16 Fixed asset investments

		Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Investments in subsidiaries	17	-	-	2	2
Listed investments		<u>2,732,878</u>	<u>3,122,419</u>	<u>2,732,878</u>	<u>3,122,419</u>
		<u>2,732,878</u>	<u>3,122,419</u>	<u>2,732,880</u>	<u>3,122,421</u>

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Equities, funds & bonds £
Cost or valuation	
At 1 January 2022	3,122,419
Additions	1,037,296
Valuation changes	(482,428)
Disposals	(944,409)
At 31 December 2022	2,732,878
Carrying amount	
At 31 December 2022	2,732,878
At 31 December 2021	3,122,419

Investments at fair value comprise:

	£
UK Equities and Funds	1,320,896
UK Fixed Interest Securities	563,149
Foreign Equities and Funds	848,833
	2,732,878

The historical cost of the investments held at the balance sheet date was:

2,545,026

17 Subsidiaries

Details of the charity's subsidiaries at 31 December 2022 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.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Debtors	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Amounts falling due within one year:				
Trade debtors	20,098	-	-	-
Amounts due from subsidiary undertakings	-	-	178,621	163,725
Other debtors	8,149	26,152	5,097	5,097
Prepayments and accrued income	116,708	88,436	8,878	8,162
	144,955	114,588	192,596	176,984

19 Creditors: amounts falling due within one year	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Other taxation and social security	-	1,687	-	1,687
Trade creditors	3,199	4,046	3,199	4,046
Other creditors	220,595	207,955	197,753	207,955
Accruals and deferred income	123,486	25,346	115,486	22,508
	347,280	239,034	316,438	236,196

20 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 2022

21 Designated funds

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

	Balance at 1 January 2022	Incoming resources	Movement in funds		Investments losses	Balance at 31 December 2022
	£	£	Resources expended	Transfers	£	£
Houston Memorial	777,006	12,594	(5,961)	-	(103,519)	680,120
Development and Research	2,281,466	59,507	(57,984)	-	(385,880)	1,897,109
Awards and Distinction	629,582	11,039	(7,697)	-	(84,312)	548,612
Francesca Miotti Fund	27,995	841	(772)	-	(3,975)	24,089
	<u>3,716,049</u>	<u>83,981</u>	<u>(72,414)</u>	<u>-</u>	<u>(577,686)</u>	<u>3,149,930</u>

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 losses amounted to a deficit of £90,925 (2021: surplus £67,474) due to difficult market conditions.

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 the total return of both income and accrued gains amounted to a deficit of £326,373 (2021: surplus £200,770) due to difficult market conditions.

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 losses amounted to a deficit of £73,273 (2021: surplus £45,107) due to difficult market conditions.

EUROPEAN ORTHODONTIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Designated funds

(Continued)

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 losses amounted to a deficit of £3,133 (2021: surplus £2,983).

Investments

Included in the assets attributable to designated funds are quoted investments of £2,732,878 (2021: £3,122,419) on which there are unrealised losses of £577,686 (2021: gain £669,964). There is also an interest in investment property held with a value of £615,000 which includes an unrealised gain of £18,161. No separate revaluation reserve is included in these accounts regarding such gains.

22 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	309,859	-	309,859
Investment properties	-	615,000	615,000
Investments	-	2,732,878	2,732,878
Net current assets	185,285	(197,948)	(12,663)
	<u>495,144</u>	<u>3,149,930</u>	<u>3,645,074</u>

23 Related party transactions

There were no disclosable related party transactions during the year (2021: none).

24 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	45,577	112,814
Adjustments for:		
Investment income recognised in profit or loss	(84,486)	(76,306)
Gain on disposal of investments	(51,742)	(110,932)
Fair value loss and gain on investments	629,428	(129,096)
Other gains/(losses)	-	(6,867)
Depreciation and impairment of tangible fixed assets	1,699	2,211
Transfer to Designated Funds	(577,686)	-
Movements in working capital:		
(Increase)/Decrease in debtors	(30,367)	(45,910)
Increase/(decrease) in creditors	108,246	72,314
Cash generated from operations	<u>40,669</u>	<u>(181,772)</u>