



Annual Report and Accounts 2024-25

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ORTHOPAEDIC RESEARCH UK

Reference and Administrative Details for the Year Ended 31 March 2025

Charity registration number	1111657
Company registration number	5585452
Trustees	Dr C J Ball Ms J Chong Mr A H Downing Mr M Gouldstone (resigned 21.3.24) Mrs S Harkness (Chair) Professor M Reed Professor N Rushton Dr Benjamin Ellis MBE (appointed 2.4.25)
CEO	Dr A Angadji
Finance Director	Ms Lesley Baliga
Executive Officer	Mrs D Palmer
Strategic Advisor	Mr M Thomas
Head of Education & Events	Ruth Threadgold
Head of Digital Transformation	Toby Kay
Data Protection Officer	Rozerin Hülakü
Registered office	Furlong House 10a Chandos Street London W1G 9DQ
Principal place of operations	Furlong House 10a Chandos Street London W1G 9DQ
Auditor	Sayer Vincent Chartered Accountants & Statutory Auditors 110 Golden Lane London EC1Y 0TG
Solicitor	Weightmans 105 Fenchurch Street London EC3M 5JG
Bankers	National Westminster Bank plc 10 Marylebone High Street London W1U 4BT
Investment managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Rathbone Brothers Plc 30 Gresham Street, London EC2V 7QN

Message from our Chair

‘The knee bone is connected to the thigh bone, Thigh bone connected to the hip bone, Hip bone connected to the backbone’. This traditional African-American spiritual isn’t part of medical school training, but the chances are that it may have inspired a few people to consider a career in musculoskeletal health. Not only is it a catchy song, but it is also celebration of the value of social and emotional interconnectedness. It serves as an important reminder for all of us involved in musculoskeletal health that progress can only come through forming mutually beneficial connections. This is particularly important within MSK health where the absence of a major public facing charity – with the notable exception of our friends at Versus Arthritis, who do a wonderful job campaigning for that specific condition – makes it challenging to elevate the importance of the category to public and policymakers.

I am delighted that interconnectedness is a core principle adopted by our executive team. As a small charity, they understand how we can best make an impact on the lives of those experiencing poor MSK health by bringing other parties to the table. Our Joint Venture MSK Innovation Network provides a perfect example of how this works in practice. This community includes clinicians, innovators, entrepreneurs, researchers, investors and others interested in driving rapid improvements within MSK health. Within the first few months of its inception it is already providing a forum for debate, an incubator of new ideas and tangible solutions and a dynamic and supportive network, especially for those running start-up businesses. The ORUK team acts as convenor and facilitator but emphasises that the direction taken by Joint Venture is driven entirely by its interconnected network.

A similar philosophy of harnessing connections across the MSK sector is driving our research and education strategies. We partner with other leading academic institutions, healthcare organisations, societies, charities and private companies to directly fund the most innovative MSK research projects. This has meant that over the last three years we have secured around £3m in additional funding on top of the money that we invest directly in breakthrough research.

The impact of our investment in education is enhanced through connections and partnerships with professional bodies, academic institutions, NHS trusts, and industry stakeholders. This allows us to co-create and deliver high-quality programmes that address shared priorities. Working together facilitates the development of a more cohesive and efficient educational ecosystem that delivers greater value to MSK clinicians and ultimately improves patient outcomes. It enables a small charity to deliver a big impact.

It has been my pleasure to take on the role of Chair of the charity following Adrian Downing’s decision to step down. I would like to thank him on behalf of the charity for guiding us through the past few years and in particular, encouraging us to support MSK innovation and entrepreneurship. Our growing reputation as a supporter of MSK innovation is a testament to Adrian’s vision and energy. I would also like to acknowledge the contribution of Martin Gouldstone, who completed his term as trustee this year.

Finally, I would like to thank our executive team for another excellent year. Running a small charity is rarely easy, especially given ORUK's ambition to make a significant and tangible impact on the millions of people experiencing poor MSK health in the UK. Delivering highly successful research, education and innovation programmes and nurturing effective connections with partners across the sector with such a small team are achievements of which they should be truly proud.

Sarah Harkness
Chair of trustees

Message from our Chief Executive

Message from our CEO

Our charity's founder, Ronald Furlong was both a successful orthopaedic surgeon and entrepreneur. The charity continues to benefit from his 'Furlong Hip'; a revolution in artificial joint and implant design which dramatically transformed the lives of patients around the world. Investment income from the sale of the intellectual property rights from his invention continues to provide the majority of funding for our important work in musculoskeletal (MSK) research, education and innovation.

We like to think that we are following in Furlong's footsteps by promoting innovation and supporting a new generation of MSK entrepreneurs. We were the first MSK charity to actively support start-ups and during the past year have increased our portfolio from three to seven start-up businesses. We are also working with partners to address the many challenges facing health innovators in the UK, especially the difficulties of navigating our health system and its regulatory challenges.

New technology is transforming the prevention, diagnosis, treatment and management of people with poor MSK health. The use of artificial intelligence (AI) is improving the accuracy of radiographical image analysis. Clinicians armed with AI-enabled data, including images sourced from motion capture, are making better decisions about the scheduling and planning of procedures and identifying patients likely to require higher levels of post-operative care. Virtual reality is being deployed as an alternative to traditional pain relief. Data from wearable technology is being used to monitor rehabilitation and empower patients to improve their MSK fitness.

This all sounds very exciting, but in reality, we are simply at the beginning of a technological revolution within MSK health. To even come close to addressing the demand for MSK health services we need an even wider pipeline of innovation. This was one of the key messages from an *Innovation Observatory Global Horizon* scan into emerging MSK health and care technologies, that we commissioned from the National Institute for Health & Care Research (NIHR). This showed that relatively little technological innovation is happening within MSK health compared with other branches of medicine, especially outside the USA. Another research study suggests that it takes six to ten years for patients in the UK to access orthopaedic innovations.

This is a situation that we cannot allow to continue. We need our smartest clinicians, engineers and computer scientists to put their brilliant minds together to solving MSK health challenges, and we need to help entrepreneurs bring their innovations to the market faster.

We are conscious that as a small charity we need to find an appropriate balance between risk and reward when it comes to supporting innovation. Despite the scrutiny of our well-informed investment committee, we recognise that, statistically, not all of the start-ups in which we invest will succeed. This is why we are not only supporting individual businesses with seed capital but focusing on the wider innovation eco-system with MSK health. We have increased our support for entrepreneurs in the form of mentoring, training and access to expert networks and work with partners to help create a positive environment for innovation in the UK. Our MSK Innovation Accelerator Programme, delivered by the MedTech SuperConnector at Imperial College London, has proven to be particularly effective in supporting entrepreneurially minded researchers and identifying start-up businesses meriting investment. During the past year we also launched the *Joint Venture MSK Innovation Network* to provide a forum for debate and the sharing of ideas across the sector.

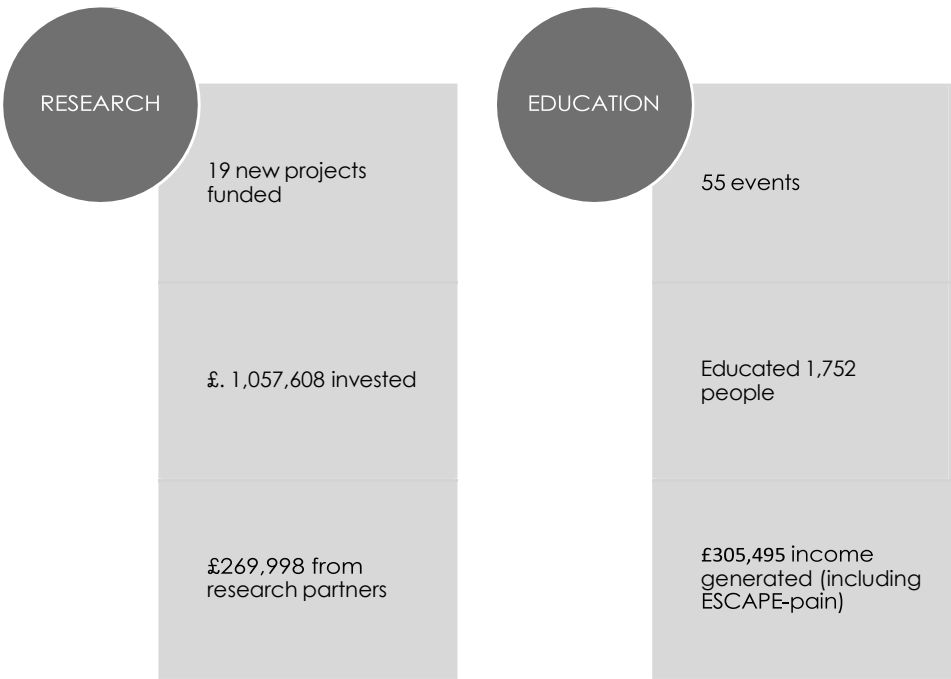
Far too many Early Career Researchers (ECRs) leave research on completion of their projects. A study by the Royal Society found that only 3.5% of research students who complete a PhD secure permanent research position at a university. Our support helps to encourage talented ECRs to continue working within the MSK research by opening-up career pathways as entrepreneurs.

This support for innovation has not been at the expense of what you might consider our core purpose, funding breakthrough research in MSK health. We have continued to co-fund research projects that are capable of rapid translation into products, services and other interventions that directly benefit patients. In fact, thanks to the additional funding provided by our partners, the level of investment in MSK research has increased significantly year-on-year.

None of our activities would be possible without the support of our many partners across the MSK sector- NHS, academic institutions, charities and private companies. I have also benefitted personally from the support and advice of our dedicated trustees and enthusiastic members of our specialist committees. I would like to thank each and every one of them for their time, effort and wisdom.

Dr Arash Angadji
Chief Executive

OUR IMPACT AT A GLANCE (key performance indicators 2024/25)



INTRODUCTION

The trustees present their report and the audited accounts for the year ended 31 March 2025.

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

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Information required to be disclosed under Schedule 7 of the Companies Act 2006 are disclosed within the Strategic Report, which starts on page 12.

OBJECTIVES AND ACTIVITIES

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

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

1. Diagnosis – understanding the pathogenesis (the origin or development) of MSK conditions.
2. Treatment – exploring strategies to tackle pre-existing MSK conditions (including assessment of their effectiveness) to improve the quality of a patient's life.
3. Prevention & support – exploring ways to prevent the onset of MSK conditions and improve the lives of people suffering from poor MSK health.

We funded 19 new research projects worth £1,057,608 in 2024/25, compared to 18 research projects worth £1,062,804 in 2023/24.

We are pleased to report that the decline in research applications noted in last year's Report and Accounts has been reversed and we saw a healthy level of applications for our research funds during 2024/25.

Research Results

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

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

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

- To fund **education**, primarily through workshops, training courses, lectures, virtual conferences, and webinars that will improve knowledge of prevention, diagnosis, treatment and the management MSK conditions. Our ambition is to be a leading provider of continuous learning in MSK health in the UK.

Our education portfolio has evolved organically through partnerships and by identifying training gaps. We provide educational programmes that support career development for trauma and orthopaedic (T&O) surgeons, such as our FRCS (Tr & Orth) revision courses and mock interview courses.

We offer a diverse portfolio of face-to-face and online training opportunities to cater to the varied learning preferences, opportunities, and financial situations of our audience. Our current education portfolio includes:

- Large scale face-to-face events
- Large scale virtual events
- Hands-on practical skills courses
- Career development courses
- Theme events (e.g. Bunions Think Tank)
- Bite-sized webinars

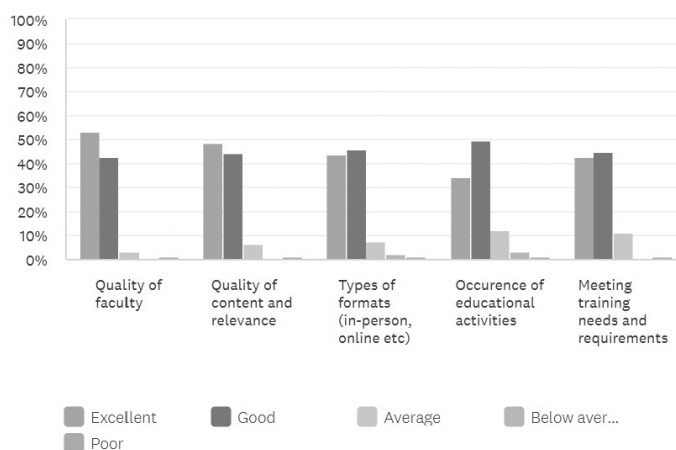
Our primary target audience is healthcare professionals working in the UK. However, our e-learning offerings have naturally expanded our reach to an international audience.

During the past year we staged 55 events and in total we educated (including the ESCAPE-pain programme) 1,752 people with the support of 345 faculty members. On average, 95% of participants rated our events as 'excellent' or 'good' in terms of educational value. Income from events (including ESCAPE-pain) was £305,495 in 2024/24 compared to £425,486 in 2023/24.

A survey of course participants indicated excellent ratings for the quality of our faculty and course content.

Please rate your views on ORUK events in the following areas:

Answered: 99 Skipped: 11



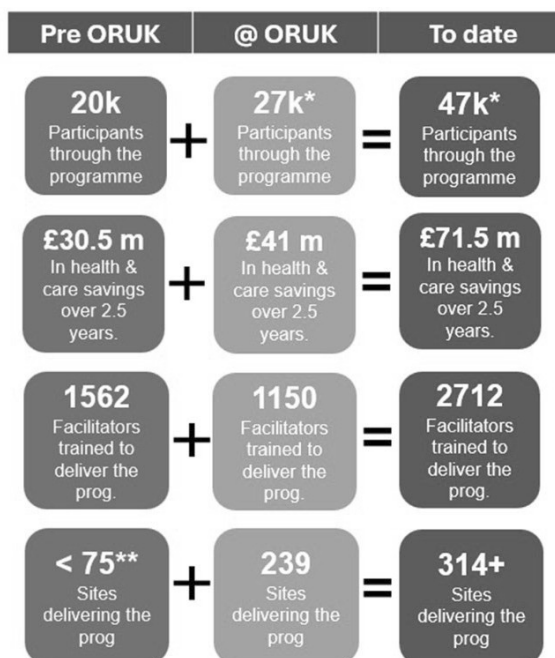
ESCAPE-pain

ORUK acquired the license to deliver ESCAPE-pain from 2021-25. The ORUK board decided in December 2024 not to renew the license for ESCAPE-pain, which means that the programme has reverted to its original owners, the Health Innovation Network (HIN). The decision was made following an in-depth strategic review of the future of the programme and specifically its ability to reach a significant scale in terms of participant numbers.

ORUK is proud of what has been achieved with ESCAPE-pain under its supervision and benefiting from its investment (see figures below). However, Despite numerous societal benefits, awards, and recognition over the years, scaling the programme has proven extremely challenging. Many

options for accelerating the growth and impact of the programme were considered, but neither the ORUK nor ESCAPE-pain team were confident that these had a strong likelihood of success. It was therefore agreed that the programme is no longer aligned with the charity's ambition to deliver immediate and sustainable support to the millions of people in the UK suffering from poor MSK health. The Board of ORUK voted to terminate the programme in accordance with the terms of the Licence Agreement. The programme will be returned to HIN in July 2025. The existing ESCAPE-pain infrastructure (based on 300 active sites and 2,590 trained facilitators) will remain in place, although will no longer benefit from ad-hoc support provided by ORUK. ORUK will retain ownership of the resources in which it has invested and developed.

The following chart summarises the results achieved by the programme both before and during ORUK's supervision:



- To provide information about our charitable activities to the general public through **publishing** and funding awards and prizes for outstanding publications and presentations in the field of MSK. We have two books in publication which provide preparation aids for the FRCS (Orth) examinations and complement our basic science training courses. Sales to orthopaedic trainees of both publications form part of our fundraising strategy. They are available to buy online or at our course events. During the year we sold 32 books, a nearly 48% decrease on the previous year, which is an expected result considering that the books were published some years ago. We are publishing a new book on *Managing upper limb musculoskeletal problems* in 2025.

Building an MSK Community

One of our ambitions is to build and support an engaged community of MSK clinicians and other experts involved in MSK health. Our measures of success for this aspect of our work are:

- Growth in the number of our LinkedIn followers = +41% year-on-year.
- Level of engagement in our LinkedIn activity (factoring in likes, comments, shares) = ranged from 6-9% during 2024-25. (A 'good engagement rate' on LinkedIn is around 2%).
- Size of our email newsletter database = flat, year-on-year.
- Level of engagement in our email newsletter = open rate averaged 48% and click rate averaged 2.4% during 2024/25. (A 'good' open rate is 25-28% and 'good' click rate is 2.5%).

We publish annually our impact report (www.oruk.org/about-us/our-impact/download) to demonstrate our progress against our strategy.

Our strategy

Our operating decisions are shaped by the recognition that our society and health system are facing a MSK health crisis. More than 20 million people in the UK are experiencing poor MSK health. It represents the third largest area of expenditure for the NHS and is linked to rising levels of obesity, anxiety, isolation, unemployment and mental health issues. MSK conditions have been the second leading cause of disability benefit claims in England and Wales. Demand for MSK health services will only grow in an ageing society.

To even come close to addressing the demand for MSK health services we need to accelerate the translation of MSK research into products, services and other interventions that directly benefit people experiencing poor MSK health, as well as those at risk. We do this by:

- Funding research projects capable of (rapid) translation into products, services and other interventions that directly benefit patients.
- Supporting (entrepreneurially minded) clinicians and researchers with mentoring, training, access to expert networks and sources of finance to help deploy innovative solutions into the NHS.
- Helping to create a positive environment for MSK innovation and entrepreneurship through advocacy, policy work and networking.
- Investing directly in early-stage MSK health businesses.

Our activities

The core principles driving our activities are:

- Using our ('seed') funding to unlock investments from leading academic institutions, healthcare organisations, societies, charities and private companies.
- Harnessing the scale and resources of delivery partners.
- Leveraging our strengths as networkers, convenors and facilitators.

Our primary activities are:

- **Research funding** - we fund and co-fund research fellowships with partners to primarily support early-career researchers. These are open to orthopaedic surgeons, scientists, physiotherapists and other AHPs. The assessment of projects we fund/co-fund includes their ability to be translated into new products and services.

(During the past 12 months our research partners have included the British Orthopaedic Association (BOA), British Hip Society (BHS), British Association for Surgery of the Knee (BASK), British Association of Spine Surgeons (BASS) and British Scoliosis Society (BSS), National Joint Registry (NJR) and Royal College of Surgeons of England (RCSEd), Royal College of Surgeons of Edinburgh (RCSEd), Getting It Right First Time (GIRFT) and British Orthopaedic Foot & Ankle Society (BOFAS), Versus Arthritis and the Kennedy Trust, Daphne Jackson Trust and Medical Research Council (MRC), British Indian Orthopaedic Society (BIOS), British Orthopaedic Medical Students Association (BOMSA) and British Orthopaedic Training Association (BOTA),

- **Entrepreneur support**

- We fund an annual MSK Innovation Accelerator Programme with Imperial College London's MedTech SuperConnector. During the past year we were delighted to welcome NVIDIA as a programme partner.
- We are partners in the NHS Clinical Entrepreneur programme.
- We recently launched the Joint Venture, MSK Innovation Network - a community of people and institutions interested in innovation within MSK health including innovators, entrepreneurs, researchers and investors. Our aim is to build and nurture an engaged community that provides a forum for debate, a force for positive change (especially in tackling systemic barriers to innovation) and an incubator of new ideas and tangible solutions.

- **Policy work**

- We work with partners in developing workshops, policy papers and reports that directly support innovation within MSK health. During the past year, this has included:
 - *Innovation Observatory Global Horizon* scan into emerging MSK health and care technologies (commissioned from the NIHR)
 - Hosting the first national Bunions Think Tank
 - Joining the Obesity Health Alliance.
 - Attending APPG Life Sciences event

- **Investments** - The Ronald Furlong Fund is designed to support the development of one innovative and commercially viable idea from a UK-based start-up that solves the unmet needs of society around bone, joint and muscle well-being. We provide seed funding for seven start-ups and will continue to support a handful of new entrepreneurial businesses each year. Feedback from these start-ups confirms that our endorsement, especially that of our eminent Scientific and Research Committees, is even more important than the funding we provide.

Grant making policy

We consider the support of grant applications that are within the scope of our charitable aims; that is to promote the advancement of orthopaedic research and education and, in particular, the encouragement of innovation and partnerships to advance bone, joint and muscle wellbeing in the UK. More information on the funding that is made available is given on our website at www.oruk.org/research/ explaining further the different Funds that are available, as well as examples of recent research projects that were funded. Our Research Strategy can be found here: https://oruk.org/wp-content/uploads/2024/06/ORUK_Research-Strategy-24-June-24.pdf

Public benefit

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

Clinical and scientific research is key to the advancement of knowledge and expertise within medical schools in universities and hospitals. Through our funding, these institutions are able to provide academic research positions or research fellowships that may not otherwise be possible. This opens-up new research areas and directly benefits researchers at all levels, including early-career researchers (ECRs). Surgeons also benefit from access to cutting-edge research and improved training, helping them to provide better treatment and outcomes to patients.

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

Short-term and longer-term aims and objectives

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

We focus on the difference we can make over the short, medium, and longer term. Short-term impact is provided by our conferences and other knowledge-sharing events, and our educational programme. Although we have deliberately created a diverse investment programme with projects at different stages of development, our priority has been to identify opportunities that have the potential to deliver an impact in the medium term. The societal benefit from our research investments can typically only be measured over the longer term. However, this does not mean that they do not have the potential to make a valuable contribution by increasing our knowledge and understanding of MSK conditions.

ACHIEVEMENTS AND PERFORMANCE

The summary of our main achievements is outlined in our CEO's report. We believe that we make a significant difference to beneficiaries and wider society in the areas of furthering academic research, supporting the work of MSK clinicians and entrepreneurs, and in prioritising the needs of patients and the NHS.

STRATEGIC REPORT

FINANCIAL REVIEW - Financial position

In the 12 months to 31st March 2025, we generated total income of £1,428,014 compared to £2,309,786 in the previous year. The reduction in income from the prior year was due to a significant one-off grant received in 2023-2024. During the year we continued to offer our educational events via a hybrid or blended offering of virtual and face-to-face. These different platforms enable us to continue to drive income from education forward for the future.

More information on education & events, and the ESCAPE-pain programme, is given on pages 8 and 9.

The financial year began with signs of stabilisation following the recovery seen at the close of the previous year. While global markets continued to navigate lingering inflationary pressures and geopolitical uncertainties, investor sentiment gradually improved, supported by moderating interest rates and resilient corporate earnings. As a result, the equity markets showed greater consistency over the course of the year. Our long-term investments in property have also been challenged by high interest rates, by way of influencing their attractiveness on the open market. In line with our accounting policy to carry out formal valuations every three years, no formal valuation was carried out this year. We did however carry out an informal review to ensure that the valuations are in line with current market values. We hold our assets for the long term, acting as custodians; it remains the trustees' firm intention to hold on to these assets. Income generated from all of our investments is absolutely essential to us, representing our principal funding source. Sustaining the listed investments in particular will allow us to continue to invest in quality research across all the Funds that we have available. Our reserves policy on page 14 explains how we have committed to protect these key assets for the future. More detail on our income and expenditure is given in the Statement of Financial Activities. On 31st March 2025, our net assets were nearly £29 million, compared to £29.7 million on 31st March 2024.

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

We need our investments to continue to generate the income required to fund our research. The Board considers that the choice of two investment managers spreads this risk, with each manager deploying different investment strategies. The Board meets both fund managers regularly (at least twice a year) to carefully review their performance against our objectives. Uncertain times, both politically and economically, mean that risks can never be completely avoided, but the Board has put in place as many checks and balances as possible to mitigate these risks. A summary of our investment policy and investment objectives is shown on page 14.

In common with many other businesses and charities, ORUK has felt the effects of the cost-of-living crisis. The main focus of this is ensuring that the charity is able to retain its talent, its staff, offering competitive salaries in line with the cost of living. A salary benchmarking exercise was conducted across all roles within the organisation, leading to the development of ORUK's first Pay Policy - a key step in demonstrating our commitment to being a fair and generous employer. Our remuneration policy is founded on the principles of transparency and equality. We aim to ensure that our roles are compensated at levels comparable to similar positions within the sector. At the same time, we recognise and reward the unique skills and expertise that each employee brings to their role.

In addition, the charity offers flexible working arrangements. In 2022/23, we successfully trialled a 9-day fortnight on an informal basis, which has since been rolled out more broadly across the organisation.

In 2024/25, we introduced a Wellbeing App for all staff. Syncing with existing wearables, the app encourages regular movement and provides access to a range of health professionals, including mental health support and mindfulness content.

With a small team, organisational resilience can be a source of concern – the charity looks to mitigate this with its systems, offering ongoing support to its staff, and competitive pay and working arrangements, with flexibility around how and where work is done. Also, many functions are outsourced, which enables us to augment our skill base. The executive team has worked tirelessly and dynamically to embrace change so that it can continue to deliver our charitable aims and objectives.

Whilst not considered a key risk for ORUK, we have previously expressed concern that junior investigators and post-doctoral researchers may be discouraged from pursuing academic research due to increasingly limited funding opportunities. In recent years, we observed a marked decline in applications from the MSK research community - particularly among orthopaedic surgeons - a trend echoed by some of our research partners. As part of our commitment to supporting early-career researchers, we launched a comprehensive survey in 2023/24 to better understand the drivers behind the earlier decline.

We are encouraged by a positive shift this year, with a recovery in application numbers. Thanks to strengthened partnerships with other research organisations, we are pleased to report that 2024/25 saw the highest number of applications to date - a total of 83.

Investment policy and objectives

We fund the vast majority of our activities, including a significant annual spend on medical research, through income from our investment portfolio. The Board receives quarterly reports from Sarasin & Partners and Rathbones, two investment management companies specialising in the charity field, each of whom handles an investment portfolio on our behalf.

Whilst the investment managers work to various benchmarks and indices, our overarching target for the investment portfolios is a total return of RPI plus 4% per annum on a 3-year rolling basis. Our income target for each fund has previously been around the £320,000 per annum mark. Income received from investments in 2024-2025 was £611,480 compared to £620,813 in 2023-2024. Our budget for investment income in 2025-2026 is £610k across both funds, therefore still not quite at the overall income target level that we look for. We also invest in fixed term deposit accounts/bonds to top up our investment income budget – in 2024-2025 our bank interest received was £60,485 a significant improvement compared with £38,066 in 2023-2024. We continually monitor savings accounts available to the charity to achieve the best rate possible, particularly as and when our fixed term bonds mature.

Ethical Investments

Although generating a healthy return on our investments is essential to support our ongoing work, we also believe it important that our investment managers embrace the highest ethical standards when it comes to their choice of investments.

We, either directly or through our advisors, do not invest in companies which are materially involved in the production and distribution of what are widely considered as 'ethically unacceptable

products'; these include, gambling, pornography, alcohol, tobacco, armaments and predatory lending.

We avoid investing in companies which are materially involved in ethically unacceptable practices, such as corruption, environmental degradation, poor labour practices, breaches of human rights or which persistently, knowingly and materially breach international legal standards.

Our investment managers are encouraged to include Environmental, Social, and Governance (ESG) considerations when evaluating a potential investment.

Our investment managers provide regular updates on their approach to ethical investment in their reports to our Finance and Investment Committee (FIAC).

Investments in start-ups

We invest in early-stage businesses developing products or services that will benefit MSK clinicians and patients experiencing poor MSK health. These investments, which are subject to the scrutiny of our Research Committee and FIAC, typically involve the provision of seed core funding in return for equity.

The performance of businesses in which we invest is monitored by the FIAC.

Any profits derived from these investments will be reinvested in the work of the charity.

Reserves policy

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

After the sale of our trading subsidiary in April 2018, the trustees collectively agreed that the proceeds of the sale should be spent carefully, as this will be the key to enabling us to invest in the long-term, not only in our charitable activities but also in strategic initiatives. We consider that these key assets are effectively ring-fenced to enable us to use the income that is generated from them to support our routine and ongoing running costs. The trustees consider that although there is no legal endowment in place to separate these assets, they should be considered to be endowed and in doing so, the trustees are acting in the spirit of the original intention of the founder of our charity.

At the balance sheet date our designated funds amounted to £28,171,252. This represents our 'Capital Fund' (£26,536,752) and our 'Strategy Development Fund' (SDF) (£1,634,500). The SDF has been reset at the balance sheet date to the level of our budget for the next financial year for New Research (both academic and non-academic projects) – the SDF encompasses The ORUK Inspiration Fund, The Ronald Furlong Fund, The ORUK Early Career Research Fellowships, and The Joint Partnership Fund.

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

Our free reserves

Our **free reserves** are identified as circa £730k; being our general funds of £739.4k less tangible fixed assets (excluding Land and Buildings) of £10.8k. The ongoing target which is to hold between £750k and £1m in readily available liquid funds in order to cover the running costs of the charity for 12 months. On 31st March 2025, cash in our current accounts amounted to £1.6m and we are therefore satisfied that we are continuing to achieve our 'liquid funds' target. A further £870k is held within short term deposits.

Going concern

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

PLANS FOR FUTURE PERIODS

We will continue to invest in activities that aim to ease the burden of poor MSK health on people, wider society and the NHS, in as short a timeframe as possible. In addition to our core research and educational investments, planned activities for the next 12 months include:

- Entrepreneur support
 - Expanding the MSK Innovation Accelerator programme with MedTech SuperConnector (MTSC), Increasing the size of the cohort from 10-20, assuming that we can attract a sufficiently high calibre of applicants.
 - Developing an online learning programme for MSK entrepreneurs as an extension of the MSK Innovation Accelerator. This programme, provisionally called the *Joint Venture Academy*, will be designed for aspiring MSK entrepreneurs (researchers and clinicians) throughout the UK.
- Education
 - Expanding our online learning provision including on-demand courses.
- Policy initiatives
 - Review of innovation landscape in UK academic institution
 - Fibromyalgia sandpit
 - MSK for the working age population, in partnership with the Institute for Employment Rights (IER)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Committees

In addition to the Board of ORUK, there are three sub-committees that oversee the various activities of the charity: 'Research' and 'Finance, Investment and Audit' (FIAC), Education and Training Advisory Committee (ETAC). The Research Committee's responsibility is to ensure the integrity of the charity's programme of scientific research support and its relevance and importance to people affected by MSK conditions. The FIAC's responsibility is to help the Board of ORUK Trustees to

discharge its fiduciary duties and responsibilities. The ETAC helps shape our educational strategy, programme and investments.

Decision making

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

Induction and training of new trustees

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

Key management personnel remuneration

Key management personnel (KMP) of the charity are considered to be the CEO and the trustees. To set the CEO's salary, a sub-committee of trustees undertakes research to benchmark average CEO salaries which is then discussed at an appraisal. Details of KMP remuneration is given in note 13 of the accounts.

Risk management

The risks to which the charity may be exposed are under regular review, and systems and procedures have been established to address and manage those risks. Our risks and the steps taken to address them are further explained on pages 13 to 14.

FUNDRAISING STANDARDS INFORMATION

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

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Orthopaedic Research UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

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

The Trustees' Annual Report, incorporating a strategic report, is approved by order of the Board of trustees, as the company directors, on 9 December 2025 and signed on the Board's behalf by:

Sarah Harkness
Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of Orthopaedic Research UK (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

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

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks relating to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remain alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

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

Judith Miller (Senior statutory auditor)

Date: 16 December 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor Invicta House,
110 Golden Lane, London EC1Y 0TG

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

		CURRENT YEAR			
	Note	Unrestricted funds £	Restricted funds £	31 March 2025 Total £	30 March 2024 Total £
Income from:					
Donations and legacies	2	3,795	–	3,795	8,609
Charitable activities	4	306,390	–	306,390	1,196,773
Investments	3	1,117,829	–	1,117,829	1,104,404
Total income		1,428,014	–	1,428,014	2,309,786
Expenditure on:					
Raising funds	5	50	–	50	50
Charitable activities	6	2,325,993	–	2,325,993	2,079,662
Total expenditure		2,326,043	–	2,326,043	2,079,712
Exceptional item – reversal of brought forward indemnity provision	21	–	–	–	250,000
Net income/(expenditure) before gains		(898,029)	–	(898,029)	480,074
Net gains/(losses) on investments	17	115,884	–	115,884	1,538,753
Losses on revaluation of fixed assets	16	–	–	–	(8,792)
Net income/(expenditure)		(782,145)	–	(782,145)	2,010,035
Transfers between funds		–	–	–	–
Net movement in funds		(782,145)	–	(782,145)	2,010,035
Reconciliation of funds:					
Total funds brought forward	24	29,692,817	–	29,692,817	27,682,782
Total funds carried forward	24	28,910,672	–	28,910,672	29,692,817

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

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

		Unrestricted funds	PRIOR YEAR Restricted funds	30 March 2024 Total
	Note	£	£	£
Income from:				
Donations and legacies		8,609	–	8,609
Charitable activities		347,671	849,102	1,196,773
Investments		1,104,404	–	1,104,404
Total income		1,460,684	849,102	2,309,786
Expenditure on:				
Raising funds		50	–	50
Charitable activities		1,493,232	586,430	2,079,662
Total expenditure		1,493,282	586,430	2,079,712
Exceptional item – reversal of brought forward indemnity provision		250,000	–	250,000
Net income/(expenditure) before gains		217,402	262,672	480,074
Net gains/(losses) on investments		1,538,753	–	1,538,753
Losses on revaluation of fixed assets		(8,792)	–	(8,792)
Net income/(expenditure)		1,747,363	262,672	2,010,035
Transfers between funds		262,672	(262,672)	–
Net movement in funds		2,010,035	–	2,010,035
Reconciliation of funds:				
Total funds brought forward		27,682,782	–	27,682,782
Total funds carried forward		29,692,817	–	29,692,817

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

Balance Sheet

As at 31 March 2025

	Note	31 March 2025 £	30 March 2024 £
Fixed assets			
Tangible assets	16	350,142	361,669
Mixed motive investments	17	426,509	226,510
Investments	17	27,940,705	27,744,611
Current assets		28,717,356	28,332,790
Stock		420	612
Debtors	19	91,195	143,596
Short term deposits		870,778	255,000
Cash at bank and in hand		1,566,485	3,048,412
		2,528,878	3,447,620
Creditors: amounts falling due within one year	20	(1,601,711)	(1,702,029)
Net current assets		927,167	1,745,591
Total assets less current liabilities		29,644,523	30,078,381
Creditors: amounts falling due after more than one year	22	(733,851)	(385,564)
Provisions for liabilities	21	–	–
Net assets	25	28,910,672	29,692,817
Charity Funds			
Restricted income funds		–	–
Unrestricted funds:			
General funds		739,420	974,488
Designated funds – capital assets fund	28	26,536,752	26,833,829
Designated funds – fabric fund	28	–	250,000
Designated funds – strategy development fund	28	1,634,500	1,634,500
Total charity funds	24	28,910,672	29,692,817

The financial statements were approved and authorised for issue by the Board on 9 December 2025

Signed on behalf of the board of trustees

Mr A Downing, Trustee

The notes on pages 28 to 43 form part of these financial statements

Statement of Cash Flows

For the year ended 31 March 2025

	Note	31 March 2025 £	30 March 2024 £
Cash flow from operating activities	26	(1,696,731)	(190,010)
Net cash flow from operating activities		(1,696,731)	(190,010)
Cash flow from investing activities			
Income from investments	3	611,480	620,813
Rent from investments	3	445,864	445,525
Net interest received	3	60,485	38,066
Purchase of property, plant & equipment	16	(7,038)	(16,128)
Purchase of investments less net cash acquired	17	(1,599,991)	(1,367,926)
Receipts from sale of investments	17	1,319,782	1,727,502
Net cash flow from investing activities		830,582	1,447,852
Net increase in cash and cash equivalents		(866,149)	1,257,842
Cash and cash equivalents at 31 March 2024		3,303,412	2,045,570
Cash and cash equivalents at 31 March 2025	26	2,437,263	3,303,412

The notes on pages 28 to 43 form part of these financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Orthopaedic Research UK is a charitable company, limited by guarantee, incorporated in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are given on pages 9–12 of these financial statements.

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

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

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

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

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

Fund accounting

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

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

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

Income recognition

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

Income from educational training and Escape–pain training events is recognised in full in the period in which the event takes place. Income from government grants is recognised as the performance criteria is met.

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payment to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Grants payable to third parties are within the charitable objectives. Where grants are offered subject to conditions which have not been met at the year-end date, these are noted as a commitment but not accrued as expenditure. Research grants payable are recognised in full, as expenditure with a related liability, from the date on which the grants are awarded and communicated.

Support cost allocation

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

Going concern

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

Tangible fixed assets

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

Freehold property, for which fair value can be measured reliably, is measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on revaluation of fixed assets' in the SoFA. The trustees have adopted a policy of regular revaluation of freehold property, and undertake this professionally once every three years, with informal reviews annually. Freehold property includes the space the charity occupies within its London property. See note 16 for further detail.

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

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

Impairment

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

Investment property

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

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

Stock

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

Debtors and creditors receivable / payable within one year

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

Provisions

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

Operating leases

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

Foreign currency

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

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Tax

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

Cash and cash equivalents

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

Short term deposits

Short term deposits include cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

Financial instruments

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

Pensions

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

Notes to the Financial Statements

For the year ended 31 March 2025

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Judgements and key sources of estimation uncertainty**

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

Indemnity provisions – as part of the sales agreement relating to JRI, there were a number of indemnity provisions in relation to past events of the entity. The trustees undertook a judgement exercise whereby the varying degrees of probability of each provision was assessed and, as a result, a total provision in relation to indemnities of £575,000 was recorded. In 2019, the trustees updated the judgement exercise and concluded that £325,000 of the provision could be released as not required. This amount was released to the SoFA and was shown as an exceptional item. See note 21. The remaining indemnity's timeframe expired shortly after 31 March 2024 and the amount has been released to the SoFA during the year.

Key sources of estimation uncertainty

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

Spread of rent free period (RFP) – the charity has a long-term commitment on premises. The lease commitment is for 40 years, effective January 2017, with a significant RFP. At the end of the RFP, rent will be charged at market value. The charity is accruing for estimated rent calculated using RPI. In prior years, RPI had not been significant, but at the previous balance sheet date inflation was high resulting in a significant adjustment to the accrued rent during that accounting period. As inflation has dropped in the months leading up to 31 March 2024, an adjustment has been made in the year to reduce the rent accrued in the balance sheet. If inflation should rise again in the next financial year, this estimation may be subject to a material adjustment.

2 DONATIONS AND LEGACIES

	31 March 2025	30 March 2024
	£	£
Donations	<u>3,795</u>	<u>8,609</u>

The donations figure noted above includes both restricted and unrestricted income (where applicable). Unrestricted donations received during the year amounted to £3,795 (2024 – £8,609) and restricted donations received during the year amounted to £0 (2024 – £nil).

3 INVESTMENT INCOME (UNRESTRICTED)

	31 March 2025	30 March 2024
	£	£
Rental income	445,864	445,525
Dividends received	611,480	620,813
Bank interest received	60,485	38,066
	<u>1,117,829</u>	<u>1,104,404</u>

Notes to the Financial Statements

For the year ended 31 March 2025

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	31 March 2025	Unrestricted 30 March 2024
	£	£	£	£
Medical Research Council grant income (see note 10)	–	–	3	769,616
Education (training courses)	267,608	–	267,608	253,601
Escape–pain (training courses and grant income [see note 6])	37,877	–	37,877	171,885
Publishing	905	–	905	1,671
	306,390	–	306,393	1,196,773

5 EXPENDITURE ON RAISING FUNDS

	31 March 2025	30 March 2024
	£	£
Fundraising costs	50	50

6 CHARITABLE ACTIVITIES COSTS

	Direct & support costs	Grant funding of activities 31.3.25 (see note 10)	Totals
	£	£	£
Promoting best orthopaedic practice through education	558,438	–	558,438
Publishing and sponsorship	102,388	–	102,388
Research into best orthopaedic practice	191,106	1,096,381	1,287,487
Governance costs (note 9)	377,680	–	377,680
	1,229,612	1,096,381	2,325,993

Charitable activities costs above include support cost allocations, which are analysed in note 9.

Investment management costs are included in governance costs and total £25,629 (2024 – £25,875).

Restricted fund costs in relation to ESCAPE–pain grant income amounted to £0 (2024 – £82,126) – actual costs in relation to the grant exceed that figure.

	Direct & support costs	Grant funding of activities 31.3.24 (see note 10)	Totals
	£	£	£
Promoting best orthopaedic practice through education	530,646	–	530,646
Publishing and sponsorship	66,900	–	66,900
Research into best orthopaedic practice	–	1,216,586	1,216,586
Governance costs (note 9)	265,530	–	265,530
	863,076	1,216,586	2,079,662

Notes to the Financial Statements

For the year ended 31 March 2025

7 GRANTS PAYABLE

	31 March 2025 £	30 March 2024 £
Research into best orthopaedic practice	<u>1,096,381</u>	<u>1,216,586</u>

See note 10 for an analysis.

8 NET INCOME/(EXPENDITURE)

	31 March 2025 £	30 March 2024 £
Net income/(expenditure) is stated after charging/(receiving):		
Depreciation – owned assets	18,565	42,531
Foreign currency translation – realised currency losses/(gains)	<u>4,198</u>	<u>154</u>

9 ALLOCATION OF SUPPORT COST

Support cost	Research £	Promoting (through education & advancement of knowledge) £	Fundraising £	Governance £	31 March 2025 Total £
Human resources	51,371	21,257	–	104,514	177,142
Premises/insurance	93,859	38,838	–	190,954	323,651
Communications & PR	18,779	7,771	–	38,206	64,756
Travel expenses	196	51	–	2,105	2,352
Other expenses	21,517	7,256	–	5,319	34,092
Depreciation & loss on disposal	5,384	2,228	–	10,953	18,565
Total	<u>191,106</u>	<u>77,401</u>	<u>–</u>	<u>352,051</u>	<u>620,558</u>

Support costs are allocated to the activities they support based on an apportionment of employees' time spent on each activity. The costs analysed above are included in charitable activities costs (see note 6).

Support cost	Research £	Promoting (through education) £	Fundraising £	Governance £	30 March 2024 Total £
Human resources	59,559	24,645	–	121,171	205,375
Premises/insurance	632	262	–	1,286	2,180
Communications & PR	23,682	9,799	–	48,179	81,660
Travel expenses	223	13	–	692	928
Other expenses	24,151	8,346	–	68,393	100,890
Depreciation & loss on disposal	12,686	5,249	–	25,809	43,744
Total	<u>120,933</u>	<u>48,314</u>	<u>–</u>	<u>265,530</u>	<u>434,777</u>

Notes to the Financial Statements

For the year ended 31 March 2025

10 GRANT MAKING

		31 March 2025
Name of institution	Purpose for which grants made (research)	£
University of Bath	Community Impact Project: RATLab	15,000
Imperial College London	MSK Innovation Accelerator Programme 2024–25 translate their early-stage MedTech innovations	125,000
* South Tees Hospitals NHS Foundation Trust	JPF: Improving outcomes in revision knee replacements	110,000
* University of Aberdeen	Establishing the feasibility of real-world surveillance of orthopaedic devices using routinely collected data	102,354
* Cardiff and Vale University Local Health Board	JPF: Use of Machine Learning in predicting progression of Adolescent Idiopathic Scoliosis	30,000
* University of Cambridge	JPF: Mesenchymal stromal cells in cartilage regeneration: defining the immunomodulatory characteristics on macrophage populations	7,500
* University of Cambridge	JPF: Femoroacetabular impingement and Hip Osteoarthritis: Identifying New Treatment Targets	32,500
* University College London Hospital	JPF: A Prospective Randomised Controlled Trial Comparing Cementless versus Cemented Robotic Total Knee Arthroplasty	32,498
* University of Cambridge	JPF: Improving Chondrocytes as a Cell Therapy with Hypoxia	12,500
* University of St Andrews	JPF: Use of a Scattered Light Integrated Collector (SLIC) for point of care testing to detect bacteria in fluid samples from native and prosthetic joint infections of the hip	55,000
* Epsom & St. Helier University Hospital	Defining the quality and quantity of stromal vascular fraction (SVF): a feasibility and pilot study to determine the effect of harvest site, local anaesthetic with adrenaline and the method of cell isolation	67,693
* University of Newcastle upon Tyne	Identification of novel drug synergy for modulation of endochondral ossification (EO) using a combinatorial approach	109,000
* University of Oxford	Molecular Analysis and Phenotyping of Prosthetic Joint Infections (MAP-PJI) to inform AI-enhanced biomarker discovery	109,000
* University College London	Artificial Intelligence and Radiomics to better identify and manage patients with femoroacetabular impingement (FAI)	72,000
* University of Oxford	Total hip arthroplasty versus hemiarthroplasty for treating hip fracture: benefits, risks, and trends in use in England using electronic health records	54,000
* Royal Orthopaedic Hospital NHS Foundation Trust	Development of anti-cancer and bone regenerative minimally invasive implantable biomaterials for skeletal metastases and primary bone tumour therapy	110,000
Wallwork	Innovation: MSK Walled Garden	12,500
Thematic Project	Bunions Think Tank	1,063
Research Prizes		1,050
Imperial College London	Project underspend	(6,381)
Royal College of Surgeons of England	Project underspend	(30,000)
University of Bath	Project underspend	(37,243)
University of Edinburgh	project underspend (see note below)	–
Grants to institutions		985,034
Patent fees, Scientific Advisory Committee costs, research staff costs and research specific promotion		111,345
Direct costs of grant making		1,096,379
Support costs of grant making – see note 9		191,106
TOTAL COSTS OF GRANT MAKING		1,287,485

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

The projects marked with an asterisk (*) above are shown within restricted fund expenditure. During the year the charity received grant monies of £nil (2024 – £769,616) from the Medical Research Council to be used to support early-career researchers.

Restricted expenditure on research grants during the year amounted to £904,045 (2024 – £504,304) and unrestricted expenditure on research grants during the year amounted to £80,991 (2024 – £523,129).

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

Notes to the Financial Statements

For the year ended 31 March 2025

10 GRANT MAKING (continued) – prior year

Name of institution		Purpose for which grants made (research)	30 March 2024
			£
*	Queen Mary University of London (QMUL)	<i>JPF – the effect of mental health on knee replacement outcomes</i>	98,725
	Aston University	<i>JPF – modelling of the spinal cord for greater understanding of aetiology and management of</i>	30,000
*	University of Manchester	<i>JPF – investigating the biomechanical and functional outcomes of autologous chondrocyte implantation</i>	56,419
	Keele University	<i>JPF – big data analyses of the long-term benefits of knee cartilage surgery</i>	55,000
	Medtech	<i>JPF – MSK Accelerator Programme, supporting early career researchers translate their early-stage</i>	125,000
	British Hip Society	<i>JPF – day case hip replacement in the NHS: a registry-based national cohort study</i>	
*			55,000
*	Uni Hospitals of Leicester	<i>JPF – surgical treatment of pathological posterior medial meniscal extrusion</i>	30,000
*	British Orthopaedic Association (BOA)	<i>JPF – mesenchymal stromal cells in cartilage regeneration</i>	32,500
*	BOA	<i>JPF – can a novel machine learning algorithm for analysis of pelvic radiographs improve the prediction of hip displacement in cerebral palsy?</i>	16,660
	Northumbria University	<i>ECRF – development and feasibility of a digital health intervention to encourage exercise maintenance after falls prevention exercise programmes end</i>	105,200
*	Cardiff University	<i>IF – identifying objective measures of sex-specific pain in humans that can be used diagnostically to target treatment</i>	47,000
	University of Birmingham	<i>ECRF – torque visuo-motor feedback training: a new way to manage patella tendinopathy</i>	105,300
*	Royal Infirmary of Edinburgh	<i>IF – development of a diagnostic protocol to aid the investigation and management of posterior malleolus ankle fractures</i>	23,000
*	University of Oxford	<i>IF – improving wrist injury pathways</i>	45,000
	University of Exeter	<i>IF – developing a core outcome set for studies of patients sustaining periprosthetic femoral fractures</i>	38,000
*	QMUL	<i>ECRF – establishing the feasibility of real-world surveillance of orthopaedic devices using routinely collected data</i>	50,000
*	University of Cambridge	<i>JPF – a precision health approach to osteoarthritis</i>	50,000
	University of Reading	<i>JPF – machine learning-enabled decision support system to improve early detection and referral of rheumatic and MSK diseases</i>	100,000
	Seed Funding Prizes		4,500
	University of Nottingham	<i>project underspend (see note below)</i>	(3,412)
	Newcastle University	<i>project underspend (see note below)</i>	(1,533)
	University of Bristol	<i>project underspend (see note below)</i>	(13,923)
	SWLEOCUB	<i>project underspend (see note below)</i>	(16,667)
	University of Edinburgh	<i>project underspend (see note below)</i>	(4,336)
Grants to institutions			1,027,433
Patent fees, Scientific Advisory Committee costs and research specific promotion			68,220
Direct costs of grant making			1,095,653
Support costs of grant making – see note 9			120,933
TOTAL COSTS OF GRANT MAKING			1,216,586

Notes to the Financial Statements

For the year ended 31 March 2025

11 AUDITOR'S REMUNERATION

Amounts payable to the auditor for statutory audit services of the charity, excluding VAT, are £14,200 (2024 – £14,300).

Amounts payable to the auditor and its associates for other services (tax advisory) of the charity, excluding VAT, are £nil (2024 – £nil).

12 TRUSTEES' REMUNERATION AND BENEFITS

No trustees received remuneration or benefits from the charity. One trustee, Mr M Gouldstone, is also a director of Novara Therapeutics Ltd – no remuneration or benefits was received for this.

At the balance sheet date, there were two ongoing research projects where trustees were involved as collaborators/supervisors – the expenditure on these was recognised in previous years. The trustees involved were Mr K Tucker and Mr M Reed.

Collaboration/supervising means being part of the research team, supervising the primary researcher. Neither trustee received any remuneration or benefits in relation to this collaboration work. As outlined in the charity's Articles, the trustees declared their conflict of interest in relation to these research projects and excused themselves from discussions on both the Scientific Advisory Committee and on the Research Committee.

Trustees' expenses

Expenses totalling £318 (2024 – £149) were paid to 1 trustee in the year (2024 – 2) by the charity, representing reimbursement of travelling expenditure. In addition, the charity expended £394 (2024 – £5,617) on hosting trustee meetings and away-day strategy meetings.

13 STAFF COSTS AND EMPLOYEE BENEFITS

	31 March	30 March 2024
	£	£
Wages and salaries	494,052	400,726
Social security costs	49,110	40,865
Employer's contribution to defined contribution pension	40,447	34,790
	583,609	476,381

The amount of £583,609 (2024 – £476,381) above includes £141,738 (2024 – £131,551) of employee benefits received by key management personnel, including the CEO, for services to the charity. Key management personnel are defined on page 20.

Notes to the Financial Statements

For the year ended 31 March 2025

14 STAFF COSTS

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

	2025 Number	2024 Number
Charitable activities	8	7
Governance	2	2
	<u>10</u>	<u>9</u>

The charity pays contributions into a money purchase group personal scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. Contributions paid into the scheme by the charity in the period were £40,447 (2024 – £34,790). The pension creditor at the period end was £nil (2024 – £2,555).

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

	2025 Number	2024 Number
£90,000 – £99,999	–	–
£100,000 – £109,999	–	1
£110,000 – £119,999	<u>1</u>	<u>–</u>

15 RELATED PARTY TRANSACTIONS

There are no related party transactions other than those disclosed in notes 12 and 13.

16 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures, fittings & equipment £	Totals £
COST/VALUATION			
At 31 March 2024	482,926	105,483	588,409
Additions	–	7,038	7,038
Disposals	–	–	–
Revaluations	–	–	–
At 31 March 2025	<u>482,926</u>	<u>112,521</u>	<u>595,447</u>
DEPRECIATION			
At 31 March 2024	142,048	84,692	226,740
Charge for the year	1,534	17,031	18,565
Disposals	–	–	–
At 31 March 2025	<u>143,582</u>	<u>101,723</u>	<u>245,305</u>
NET BOOK VALUE			
At 31 March 2025	<u>339,344</u>	<u>10,798</u>	<u>350,142</u>
At 31 March 2024	<u>340,878</u>	<u>20,791</u>	<u>361,669</u>

The freehold building relates to the charity-occupied part of 10a Chandos House in London. This building was acquired in January 2008. The property was recognised at fair value on transition to SORP (FRS 102) using a previous fair value valuation. The building is being depreciated from the FRS 102 transition date of 1/4/14 and has a net book value of £339,344; land is not depreciated. The historic cost equivalent of this asset at net book value is £389,097, and depreciation at historic cost would be £351. The trustees have adopted a policy of regular revaluation of freehold property, and undertake this professionally once every three years, with informal reviews annually. The freehold property was subject to an formal valuation on 31/3/24. The valuation was undertaken by Colliers International Valuation UK LLP, a firm of independent valuers. Further information on property valuations is contained in note 18.

Notes to the Financial Statements

For the year ended 31 March 2025

17 FIXED ASSET INVESTMENTS

	Unlisted investments £	Mixed motive investments £	Investment properties (18) £	Listed investments £	Totals £
COST/VALUE					
At 31 March 2024	85	226,510	7,187,074	20,557,452	27,971,121
Revaluations	(29,311)	–	–	145,195	115,884
Additions	29,226	199,999	–	1,370,766	1,599,991
Disposals	–	–	–	(1,319,782)	(1,319,782)
At 31 March 2025	–	426,509	7,187,074	20,753,631	28,367,214
NET BOOK VALUE/FAIR VALUE					
At 31 March 2025	–	426,509	7,187,074	20,753,631	28,367,214
At 31 March 2024	85	226,510	7,187,074	20,557,452	27,971,121

In addition to the investment management costs, one of our fund managers (Sarasin & Partners) charges a range of ongoing, explicit, and implicit charges which have not been presented as expenditure in the accounts. The cost applied is approximately 1% of the average portfolio value which is deemed immaterial to the accounts. Income from investments is shown in note 3. Shares in group undertakings were included at cost less impairment. Investment properties and listed investments are included at market value. This is commented on in more detail in note 18 below. Unlisted investments are included at cost which at the year end is considered to be the equivalent of market value.

The unlisted investment above relates to an 85% shareholding in a subsidiary undertaking, Novara Therapeutics Limited, a company registered in England and Wales under company number 12841228. The subsidiary was excluded from consolidation, previously, as its inclusion is not material for the purpose of giving a true and fair view. The company has now ceased trading and has filed for dissolution. The acquisition cost and an inter-company debt have been revalued to £nil.

	Unlisted investments £	Mixed motive investments £	Investment properties £	Listed investments £	Totals £
COST/ MARKET VALUE					
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944
Revaluations	–	–	13,792	1,524,961	1,538,753
Additions	–	7,020	–	1,360,906	1,367,926
Disposals	–	–	–	(1,727,502)	(1,727,502)
At 31 March 2024	85	226,510	7,187,074	20,557,452	27,971,121
NET BOOK VALUE					
At 31 March 2024	85	226,510	7,187,074	20,557,452	27,971,121
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944

Notes to the Financial Statements

For the year ended 31 March 2025

18 INVESTMENT PROPERTIES

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

The investment properties were last subject to independent, professional valuation as at 31/3/24. The property valuations were undertaken by Colliers International Property Consultants Limited, a firm of independent valuers. Both valuations were carried out in accordance with the requirements of the RICS Valuation – Professional Standards Manual. The historic cost equivalent of these assets is £4,411,349 and £3,498,868 respectively.

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

The Sheffield property was valued at £3.825m on a formal valuation basis on 31/3/24.

The London property was valued at £3.845m on a formal valuation basis on 31/3/24.

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

19 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2025	30 March 2024
	£	£
Trade debtors	37,309	10,168
Other debtors	10,882	25,948
Amounts owed by group undertakings	–	27,480
Prepayments and accrued income	43,004	80,000
	91,195	143,596

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2025	30 March 2024
	£	£
Trade creditors	278,963	91,159
Grants payable	967,421	1,092,522
Taxation and social security	31,157	28,538
Other creditors	15,742	57,445
Accruals and deferred income	308,428	432,365
	1,601,711	1,702,029

Deferred income includes monies held for courses to be held in the next financial year amounting to £4,285 (2024 – £54,300), and rents invoiced in advance, amounting to £82,744 (2024 – £127,619).

	31 March 2025	30 March 2024
	£	£
Balance at the beginning of the period	181,919	223,697
Amount released to income in the period	(181,919)	(223,697)
Amount deferred in the period	87,029	181,919
Balance at the end of the period	87,029	181,919

Notes to the Financial Statements

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21 RECONCILIATION OF GRANT CREDITORS AND PROVISIONS

	31 March 2025	30 March 2024
	£	£
Grant creditors at 31 March 2024	1,478,086	1,229,874
Grants adjusted/charged in the period (note 10)	985,034	1,027,433
Grants paid in the period	(761,848)	(779,221)
Grant creditors at 31 March 2025	1,701,272	1,478,086
	31 March 2025	30 March 2024
	£	£
Provisions at 31 March 2024	–	250,000
Indemnity provision released in the period	–	(250,000)
Provisions at 31 March 2025	–	–

As part of the sales agreement relating to JRI, ORUK committed to a number of indemnity provisions relating to past JRI events. The indemnities had specific, but varying, time periods applied. For each of the indemnities, the trustees considered the likelihood of the provision crystallising and concluded that provision in the accounts should be made for those considered most probable. Just after the balance sheet date of 31 March 2024, and prior to the date of signing those accounts, all time periods applied to the indemnities had expired and the trustees considered that the provisions brought forward from the prior year should be released to the SoFA in 2023/2024. No further provision was required in 2024/25.

22 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2025	30 March 2024
	£	£
Grants payable	733,851	385,564

23a OPERATING LEASE COMMITMENTS PAYABLE AS A LESSEE

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. Lease payments recognised as an expense are shown below in italics:

	31 March 2025	30 March 2024
	£	£
Less than one year	1,604	3,458
Two to five years	–	–
Over five years	257,031	487,953
	258,635	491,411
Land and buildings	257,031	487,953
Other (HR contract)	1,604	3,458
	258,635	491,411

see note 1 included in support cost allocation
£3,458 included in support cost allocation

Notes to the Financial Statements

For the year ended 31 March 2025

23b OPERATING LEASE COMMITMENTS RECEIVABLE AS A LESSOR

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

	31 March 2025	30 March 2024
	£	£
Less than one year	328,440	387,641
Two to five years	234,194	562,635
	562,634	950,276

24 FUND RECONCILIATION

	Balance at 31 March 2024	Income	Expenditure	Transfers	Gains	Balance at 31 March 2025
	£	£	£	£	£	£
Designated capital assets fund	26,833,829	-	-	(297,077)	-	26,536,752
Designated fabric fund	250,000	-	(250,000)	-	-	-
Designated strategic developmen	1,634,500	-	-	-	-	1,634,500
Total designated funds	28,718,329	-	(250,000)	(297,077)	-	28,171,252
General funds	974,488	1,428,014	(2,076,043)	297,077	115,884	739,420
Total Unrestricted funds	29,692,817	1,428,014	(2,326,043)	-	115,884	28,910,672
Total Restricted funds	-	-	-	-	-	-
	29,692,817	1,428,014	(2,326,043)	-	115,884	28,910,672

The purpose of the designated fund is to ring-fence key income-generating assets so that the charity can continue with its charitable activity of investing in research, and to enable the charity to invest in its fundraising plan to realise its vision of 'pain-free movement for all'.

	Balance at 31 March 2023	Income	Expenditure	Transfers	Losses	Balance at 31 March 2024
	£	£	£	£	£	£
Other charitable funds	27,682,782	1,460,684	(1,493,282)	262,672	1,779,961	29,692,817
Restricted	-	849,102	(586,430)	(262,672)	-	-
	27,682,782	2,309,786	(2,079,712)	-	1,779,961	29,692,817

The transfer of £265,312 above in 2023/24 relates to the monies received from the Medical Research Council – the transfer related to expenditure incurred in previous years, recognised as per the accounting policy and, at the time, treated as expenditure within unrestricted funds. The funding aims to protect the pipeline of early career researchers (ECRs) and to help support the charity research sector regain its pre-COVID levels of research and innovation investment in the UK. It was available to support ECRs and research grants active in FY 2023/24 based in a UK organisation eligible for UKRI research funding – the funding provided through this scheme must be used to support the researchers and projects submitted to the scheme.

25a ANALYSIS OF NET ASSETS BETWEEN FUNDS (CURRENT PERIOD)

	General £	Designated £	Restricted £	Total Funds £
Tangible fixed assets	10,798	339,344	-	350,142
Investments	-	28,367,214	-	28,367,214
Net current assets	728,622	198,545	-	927,167
Long term liabilities	-	(733,851)	-	(733,851)
Provisions	-	-	-	-
Net assets at 31 March 2025	739,420	28,171,252	-	28,910,672

Notes to the Financial Statements

For the year ended 31 March 2025

25b ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR PERIOD)

	General Unrestricted £	Designated £	Restricted £	Total Funds £
Tangible fixed assets	20,791	340,878	–	361,669
Investments	85	27,971,036	–	27,971,121
Net current assets	953,612	791,979	–	1,745,591
Long term liabilities	–	(385,564)	–	(385,564)
Provisions	–	–	–	–
Net assets at 31 March 2024	974,488	28,718,329	–	29,692,817

26 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 March 2025 £	30 March 2024 £
Net income for period	(782,145)	2,010,035
Dividends received	(611,480)	(620,813)
Interest receivable	(60,485)	(38,066)
Depreciation of tangible fixed assets	18,565	42,531
(Gains)/losses on investments and on revaluation of fixed assets	(115,884)	(1,779,961)
Reverse indemnity provision	–	250,000
Loss on disposal of tangible fixed assets	–	1,212
Rent from freehold investment property	(445,864)	(445,525)
Decrease in stock	192	307
Decrease in debtors	52,401	440,127
Increase / (decrease) in creditors	247,969	(49,857)
Net cash flow from operating activities	(1,696,731)	(190,010)

Cash and cash equivalents at 31 March 2025 were £2,422,489 (2024 – £3,303,412). This amount is analysed as £2,215,108 (2024 – £3,002,971) of bank balances, £207,381 held by investment houses as ‘cash’ balances available to invest (2024 – £300,441) and £0 (2024 – £nil) of cash.

ANALYSIS OF CHANGES IN NET DEBT

	Balance at 31 March 2024 £	Cashflows £	Balance at 31 March 2025 £
Cash	3,002,971	(787,863)	2,215,108
Cash-equivalents	300,441	(78,286)	222,155
Grants falling due within 1 year	(1,144,289)	176,868	(967,421)
Grants falling due in more than 1 year	(333,797)	(400,054)	(733,851)
	1,825,326	(1,089,335)	735,991

27 LEGAL STATUS OF THE CHARITY

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

28 ANALYSIS OF DESIGNATED FUNDS

		31 March 2025	30 March 2024
		£	£
An analysis of the funds is given below:			
Strategy Development Fund	<i>new research (academic and non-academic)</i>	1,634,500	1,634,500
Fabric Fund	<i>ongoing maintenance to Furlong House (grade II listed)</i>	–	250,000
Capital Fund	<i>to ring fence key income generating assets</i>	26,536,752	26,833,829
		<u>28,171,252</u>	<u>28,718,329</u>

Included within the Strategy Development Fund is additional funding to be made available to support early career researchers.