

AOUK & I

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Charity registration number 1190596

jwpcreers llp
CHARTERED ACCOUNTANTS

AOUK & I

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AOUK & I

TRUSTEES' ANNUAL REPORT

The trustees present their report together with the financial statements of the charity for the year ended 31 December 2022

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 constitution, 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 published in October 2019.

OBJECTIVES AND ACTIVITIES

The charity's principal objectives are the further education and training of all those engaged in the management of disorders of the musculo-skeletal system and to promote and co-ordinate clinical research in disorders of the musculo-skeletal system and their treatment and to publish the results of such research.

The research fund provides grant support to third parties undertaking research projects that relate to the charity's objectives. Grants are awarded at the discretion of the board of trustees.

AOUK & I continues to support a personal development programme aimed at allowing those engaged in the charity's objects to visit centres of excellence for further educational purposes.

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

ACHIEVEMENTS AND PERFORMANCE

AOUK & I continues to support the course programme administered by the AO Foundation with course support and membership services. AOUK & I education work closely with the AO Foundation to ensure the contents of the courses adhere to the current clinical requirements of our participants. Additional funds are provided to support courses as required where it is deemed beneficial to the charity in achieving its objectives. Support has been given towards developing online blended learning courses.

Significant support has continued to be given to important and relevant research projects.

It is AOUK & I's intention to continue to support vital learning and research programmes for medical professionals.

FINANCIAL REVIEW

Reserves policy

At 31 December 2022, AOUK & I had total reserves of £1,523,426 (2021: £1,827,230) of which a total of £32,094 (2021: £125,390) was designated to the Research and Development fund.

The trustees consider that the present level of reserves is required because at present the AOUK & I is grant funded by a single donor. This carries an inherent risk of reduction or cessation of funding.

Reserves are held to mitigate that uncertainty so that the Charity can continue to meet its charitable objectives.

AOUK & I

TRUSTEES' ANNUAL REPORT (Continued)

Investment policy

The investment policy is reviewed annually by the trustees and takes account of recent demands for funds and the quality of the funding applications. The trustees consider the income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. This strategy is set within an overall policy which states that funds are to be invested in a combination of cash deposits with instant access and a share-based fund.

PLANS FOR FUTURE PERIODS

Charitable activities in education of healthcare professionals involved in the management of disorders of the musculo-skeletal system will continue.

AOUK & I will also continue to support research in this field and will make available a substantial grant to support a qualifying project if a suitable proposal is received.

Trustees are always considering new ways in which to meet the charitable objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed by its constitution dated 28 July 2020.

Appointment of trustees

There shall be at least three trustees each appointed for a term of four years by a resolution of the trustees. Where a trustee vacancy arises, the remaining trustees identify suitable candidates to cover experience and expertise to assist in meeting the objects of the charity. Information concerning the charity and the role of the trustees is given to new trustees on their appointment. No individual may be appointed as a trustee of the CIO if he or she is under the age of 16 and at least one of the trustees of the CIO must be 18 years of age or over.

Structure and management

The board of trustees aim to hold at least two ordinary meetings in each year. Any trustee may call a meeting of trustees. Every matter shall be determined by majority of votes of the trustees present and voting on the question. The chairperson of the meeting shall have the casting vote.

The trustees have formed a broadly based Management Committee to advise and support them in the work of the charity.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis. The trustees have examined operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

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TRUSTEES' ANNUAL REPORT (Continued)

CHARITY INFORMATION

Charity name	AOUK & I	
Charity number	1190596	
Principal office	Marlborough House York Business Park Nether Poppleton York YO26 6RW	
Trustees	Ian Pallister Ian Sharp Iain McFadyen John Quinlan Susan Deakin Pauline Johnston Sorrel Langley-Hobbs Mark Jackson Jon Dwyer Matthew Pead	(appointed 4 April 2022) (appointed 14 October 2022) (appointed 14 October 2022) (retired 4 April 2022) (retired 14 October 2022) (retired 14 October 2022)

ADVISERS

Auditors	JWPCreers LLP Chartered Accountants & Registered Auditors Genesis 5 Church Lane Heslington York YO10 5DQ
Principal Bankers	Lloyds Bank plc Pavement York YO1 9LB
Investment Managers	Walker Crips Group Plc Old Change House 128 Queen Victoria House London EC4V 4BJ

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TRUSTEES' ANNUAL REPORT (Continued)

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the report of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

We, the trustees of the Charity who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the trustees and signed on their behalf.



.....
Ian Pallister
Senior Trustee

Date: 13/07/2023
.....

AOUK & I

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AOUK & I

Opinion

We have audited the financial statements of AOUK & I (the Charity) for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, cash flow statement 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and provisions available to smaller entities, in the circumstances set out in note 18 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the 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 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.

AOUK & I

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AOUK & I (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report to the trustees; or
- the Charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AOUK & I (Continued)

Our approach was as follows:

- During our planning process we gained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant of them, which are directly relevant to specific assertions in the financial statements, are those that relate to the reporting framework (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), issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice);
- We gained an understanding of how the Charity is complying with these frameworks by making enquiries of the trustees and if necessary, advisors responsible for legal and compliance matters. We observed key controls and made appropriate enquiries following our review of contracts, interim financial data, board minutes and reports provided to the trustees;
- We independently assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud or error might occur by meeting with the trustees and advisors with the skills and experience necessary to determine the risk factors which they believe expose the Charity to susceptibility to fraud and error. We also considered the impact of any Charity targets, the personal financial circumstances of the trustees to create a driver for fraud. We considered the culture and controls that the Charity has established to address the risks identified and evaluated the effectiveness of processes and procedures to prevent and detect fraud, and how the trustees monitor those processes and controls. Where the risk was considered to be higher, we designed then performed audit procedures to address each identified fraud risk. These procedures included, but were not restricted to, testing large and unusual items, journals, and transactions with high estimation uncertainty. These tests were designed to provide reasonable assurance that the financial statements were free from fraud and error; and
- Based on our audit plan and understanding of the risks that specifically affect the Charity we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved substantive testing of transactions and walkthrough testing of appropriate controls, with a focus on transactions in the books of prime entry that have characteristics that may indicate fraud or error. We looked for unusual patterns, large or unusual transactions, weaknesses in the payments system and new supplier transactions based on our understanding of the Charity and its activities; enquiries of the trustees and advisors and the results from previous audit testing; and focused testing, on specific complex areas based on risk. In addition, we completed procedures to conclude on the other information and disclosures in the report of the trustees and accounts with the requirements of the relevant accounting standards and UK legislation.

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 intentional concealment, forgery, collusion, omission, or misrepresentation.

AOUK & I

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AOUK & I (Continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e., gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



JWP Creers LLP
Statutory Auditor
Genesis 5
Church Lane
Heslington
York
YO10 5DQ

Date: 31/7/2023

JWP Creers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

AOUK & I

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Designated Funds £	Total 2022 £	Total 2021 £
INCOME					
Charitable activities:					
Grants receivable		215,088	50,220	265,308	250,200
Investments	2	47,045	-	47,045	50,801
Other		100	-	100	455
Total income		<u>262,233</u>	<u>50,220</u>	<u>312,453</u>	<u>301,456</u>
EXPENDITURE					
Cost of raising funds:					
Investment management fees		12,581	-	12,581	12,308
Charitable activities	3	<u>234,333</u>	<u>147,086</u>	<u>381,419</u>	<u>284,551</u>
Total expenditure		<u>246,914</u>	<u>147,086</u>	<u>394,000</u>	<u>296,859</u>
Net income / (expenditure) before gains or losses		15,319	(96,866)	(81,547)	4,597
Net gains / (losses) on investments	8	<u>(222,257)</u>	<u>-</u>	<u>(222,257)</u>	<u>98,035</u>
Net income / (expenditure)		<u>(206,938)</u>	<u>(96,866)</u>	<u>(303,804)</u>	<u>102,632</u>
Gross transfers between funds		<u>(3,570)</u>	<u>3,570</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(210,508)</u>	<u>(93,296)</u>	<u>(303,804)</u>	<u>102,632</u>
Fund balances at 1 January 2022	11	<u>1,701,840</u>	<u>125,390</u>	<u>1,827,230</u>	<u>1,724,598</u>
Fund balances at 31 December 2022		<u><u>1,491,332</u></u>	<u><u>32,094</u></u>	<u><u>1,523,426</u></u>	<u><u>1,827,230</u></u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains or losses recognised in the year.

Analysis of the previous year by fund is summarised on note 16 of the financial statements.

AOUK & I


BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		£	£
FIXED ASSETS			
Investments	8	1,394,209	1,581,144
CURRENT ASSETS			
Debtors	9	89,516	16,095
Cash at bank and in hand		104,317	243,011
		<u>193,833</u>	<u>259,106</u>
CREDITORS: amounts falling due within one year	10	<u>(64,616)</u>	<u>(13,020)</u>
NET CURRENT ASSETS		<u>129,217</u>	<u>246,086</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,523,426</u>	<u>1,827,230</u>
THE FUNDS OF THE CHARITY:			
Unrestricted funds	13	<u>1,523,426</u>	<u>1,827,230</u>
		<u>1,523,426</u>	<u>1,827,230</u>

The notes at pages 12 to 21 form part of these financial statements.

The accounts were approved by the trustees on 13/07/2023 and signed on their behalf by:


.....
Ian Pallister


.....
Susan Deakin

AOUK & I

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	1	(150,417)	(9,631)
Cash flows from investing activities			
Dividends and interest from investments		47,045	50,801
Proceeds from sale of investments		160,682	582,911
Purchase of investments		(184,575)	(630,917)
Net cash provided by / (used in) investing activities		(11,429)	8,885
Change in cash and cash equivalents in the year		(138,694)	2,049
Cash and cash equivalents at 1 January 2022 *		243,011	240,962
Cash and cash equivalents at 31 December 2022	2	104,317	243,011

NOTES TO THE CASH FLOW STATEMENT

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income / (expenditure) for the year	(303,804)	102,632
Adjustments for:		
Net losses / (gains) on investments	222,257	(98,035)
Dividends and interest from investments	(47,045)	(50,801)
(Increase) / decrease in debtors *	(73,421)	45,574
Increase / (decrease) in creditors *	51,596	(9,001)
Net cash provided by / (used in) operating activities	(150,417)	(9,631)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank	104,317	243,011

* 2021 as transferred from the unincorporated charity on 1 January 2021. See note 11 to the financial statements.

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF ACCOUNTING

The Charity is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared under the historical cost convention modified to include certain items at their fair value. The financial statements are prepared on a going concern basis.

The financial statements are prepared in sterling which is the functional currency of the Charity.

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.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

JUDGEMENTS AND ESTIMATES

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the amounts reported. These estimates are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

FUND ACCOUNTING

The Charity maintains a designated fund which is to be used for research and development purposes.

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds are funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (Continued)

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of the income can be measured reliably.

Investment income is recognised as the Charity's right to receive payment is established.

EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs of charitable activities are those costs incurred directly to meet the objects of the Charity. Support costs are allocated to the various activities on a percentage basis based on the direct charitable expenditure incurred by each activity. Governance costs are those in connection with constitutional and statutory requirements.

GRANTS PAYABLE

Grants payable to third parties are within the charitable objectives. In line with section 7 of the Charities Act 2006 and the Charities (Accounts and Reporting) Regulations 2008, the Charity's policy is to recognise grants payable when the grant is awarded, as this gives rise to a reasonable expectation that the recipient will receive the grant.

- When conditional grants are awarded, these are accrued as soon as the recipient is notified, as this gives rise to a reasonable expectation that the recipient will receive the grant.
- When grants are conditional relating to performance, then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

FOREIGN CURRENCY

Transactions in foreign currencies are translated into sterling and accepted at the rate of exchange ruling at the date of receipt or payment.

OPERATING LEASES

Rentals payable under operating leases are charged to the SOFA as incurred over the term of the lease.

INVESTMENTS

Investments are stated at fair value. Aggregate realised and unrealised gains and losses are shown separately in the SOFA as net gains / (losses) on investments.

DEBTORS AND CREDITORS

Debtors and creditors are recorded when receivable or payable.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. INVESTMENT INCOME

	Unrestricted Funds £	Designated Funds £	Total 2022 £	Unrestricted Funds £	Designated Funds £	Total 2021 £
Dividends - equities	33,845	-	33,845	39,111	-	39,111
Interest - securities	13,200	-	13,200	11,690	-	11,960
	<u>47,045</u>	<u>-</u>	<u>47,045</u>	<u>50,801</u>	<u>-</u>	<u>50,801</u>

3. CHARITABLE ACTIVITIES

	Note	Unrestricted Funds £	Designated Funds £	Total 2022 £	Unrestricted Funds £	Designated Funds £	Total 2021 £
Educational activities		156,554	-	156,554	147,569	-	147,569
Grants payable		-	147,086	147,086	4,000	44,861	48,861
Annual meeting		55,363	-	55,363	68,705	-	68,705
Governance costs	5	22,416	-	22,416	19,416	-	19,416
		<u>234,333</u>	<u>147,086</u>	<u>381,419</u>	<u>239,690</u>	<u>44,861</u>	<u>284,551</u>

Grants payable are for research projects that relate to the Charity's objectives and are analysed as follows:

	2022 £
Grants to institutions:	
- University of Liverpool	3,350
- South Tees Hospitals NHS Foundation Trust	18,245
- South Tees Hospital Charity	4,500
- University of West Midlands	9,592
- University of Oxford	13,990
- University of Cardiff	4,184
- University of Staffordshire	4,970
- University of Coventry	7,815
- University of Birmingham	3,500
- Norwich FRCS	4,975
- Cardiff and Vale University Local Health Board	9,000
- The Children's Orthopaedic and Trauma Fund	3,500
- University Hospitals Coventry and Warwickshire	8,000
- LisaHadfieldLaw Limited	46,002
- British Orthopaedic Trainees Association	3,000
	<u>144,623</u>
Grants refunded by institutions:	
- The University of Edinburgh	(3,107)
	<u>141,516</u>
Grants to individuals	2,000
Support costs	3,570
	<u>147,086</u>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. SUPPORT COSTS

	Total 2022 £	Total 2021 £
Administration management	24,971	19,620
Secretarial	-	7,135
Web and computer costs	7,200	7,477
General administration	15,631	13,145
	<u>47,802</u>	<u>47,377</u>

ALLOCATION OF SUPPORT COSTS

	Direct cost of activities £	Support costs Fixed £	Support costs Apportioned £	Total 2022 £	Total 2021 £
Educational activities	116,322	40,232	-	156,554	147,569
Grants payable	143,516	3,570	-	147,086	48,861
Annual meeting	51,363	4,000	-	55,363	68,705
	<u>311,201</u>	<u>47,802</u>	<u>-</u>	<u>359,003</u>	<u>265,135</u>

5. GOVERNANCE COSTS

	Unrestricted Funds £	Designated Funds £	Total 2022 £	Unrestricted Funds £	Designated Funds £	Total 2021 £
Amounts paid to auditor in respect of:						
- Audit fees	2,400	-	2,400	2,400	-	2,400
- Accounting and other services	2,400	-	2,400	2,400	-	2,400
Trustees' meetings	17,616	-	17,616	14,616	-	14,616
	<u>22,416</u>	<u>-</u>	<u>22,416</u>	<u>19,416</u>	<u>-</u>	<u>19,416</u>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. STAFF COSTS AND TRUSTEES EXPENSES

There were no employees during the current or previous period.

No trustee, or any person connected with them, received remuneration in the current or previous period.

Three trustees (2021: two) received reimbursement for meetings expenses totalling £661 (2021: £326).

7. NET INCOME / (EXPENDITURE)

Net income / (expenditure) is stated after charging:

	2022 £	2021 £
Operating lease rentals	5,660	7,276

8. FIXED ASSET INVESTMENTS

	2022 £	2021 £
Fair value at 1 January 2022	1,581,144	1,443,988
Additions	184,575	630,917
Proceeds from sales	(160,682)	(582,911)
Realised net gains / (losses)	(3,958)	7,113
Unrealised gains / (losses)	(218,299)	90,922
Movement in cash account	11,429	(8,885)
	<u>1,394,209</u>	<u>1,581,144</u>
Fair value at 31 December 2022	<u>1,394,209</u>	<u>1,581,144</u>

Investments at fair value comprise:

	2022 £	2021 £
Listed investments		
- Equities	1,057,786	1,226,447
- Securities	301,485	331,188
Cash within investment portfolio	34,938	23,509
	<u>1,394,209</u>	<u>1,581,144</u>

	2022 £	2021 £
Historical cost of listed investments at 31 December 2022	<u>1,405,194</u>	<u>1,375,189</u>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. DEBTORS	2022	2021
	£	£
Other debtors	8,573	49
Prepayments	3,716	1,694
Accrued income	77,227	14,352
	<hr/>	<hr/>
	89,516	16,095
	<hr/>	<hr/>
10. CREDITORS	2022	2021
	£	£
Trade creditors	6,723	5,283
Accruals	7,492	7,737
Grants payable	50,401	-
	<hr/>	<hr/>
	64,616	13,020
	<hr/>	<hr/>

11. TRANSFER IN FROM UNINCORPORATED CHARITY

On 1 January 2021, in accordance with the transfer agreement, the assets, liabilities and activities of AOUK (charity registration 1091445) were transferred to AOUK & I. Assets and liabilities transferred were as follows:

	£	£
FIXED ASSETS		
Investments		
- listed	1,411,594	
- cash	32,394	
	<hr/>	1,443,988
CURRENT ASSETS		
Debtors		
- prepayments	18,986	
- accrued income	42,683	
Cash at bank and in hand	240,962	
	<hr/>	302,631
CREDITORS		
- grants payable	9,920	
- trade creditors	1,879	
- accruals	10,222	
	<hr/>	(22,021)
		<hr/>
Net assets transferred 1 January 2021		1,724,598
		<hr/>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. TRANSFER IN FROM UNINCORPORATED CHARITY (Continued)

Net assets transferred were analysed between funds as follows:

	Unrestricted Funds £	Designated Funds £	Total 01.01.2021 £
Fixed assets	1,443,988	-	1,443,988
Cash	154,179	86,783	240,962
Other current assets / (liabilities)	15,568	24,080	39,648
	<u>1,613,735</u>	<u>110,863</u>	<u>1,724,598</u>

The designated fund was created for the same purpose as the designated fund of the Charity, as detailed in note 12.

12. UNRESTRICTED FUNDS

	Fund at 01.01.2022 £	Income £	Expenditure £	Net gains / (losses) on investments £	Transfer £	Fund at 31.12.2022 £
General fund	1,701,840	262,233	(246,914)	(222,257)	(3,570)	1,491,332
Designated fund:						
Research and Development fund	125,390	50,220	(147,086)	-	3,570	32,094
	<u>1,827,230</u>	<u>312,453</u>	<u>(394,000)</u>	<u>(222,257)</u>	<u>-</u>	<u>1,523,426</u>

The Research and Development fund was set up to support research activities and personal development. Grants are made from this fund to institutions undertaking relevant research and development projects. The obligation to pay a grant does not arise until the relevant project commences at which point the grant can be claimed by the beneficiary.

Transfers between funds are in respect of support costs relating to the Research and Development fund.

UNRESTRICTED FUNDS – Prior Year

	Transfer from Unincorporated charity £	Income £	Expenditure £	Net gains / (losses) on investments £	Fund at 31.12.2021 £
General fund	1,613,735	242,068	(251,998)	98,035	1,701,840
Designated fund:					
Research and Development fund	110,863	59,388	(44,861)	-	125,390
	<u>1,724,598</u>	<u>301,456</u>	<u>(296,859)</u>	<u>98,035</u>	<u>1,827,230</u>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Total 2022 £	Unrestricted Funds £	Designated Funds £	Total 2021 £
Fixed assets	1,394,209	-	1,394,209	1,581,144	-	1,581,144
Cash	31,297	73,020	104,317	130,549	112,462	243,011
Other current assets/(liabilities)	65,826	(40,926)	24,900	(9,853)	12,928	3,075
	<u>1,491,332</u>	<u>32,094</u>	<u>1,523,426</u>	<u>1,701,840</u>	<u>125,390</u>	<u>1,827,230</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022 £	2021 £
Within 1 year	<u>1,830</u>	<u>-</u>

15. GRANT COMMITMENTS AND CONTINGENCIES

The total amounts of research and development grants approved at the AGM but not notified to third parties by the year end were:

	2022 £	2021 £
Grant commitments	<u>-</u>	<u>38,245</u>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. COMPARATIVE STATEMENTS OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Designated Funds £	Total 2021 £
INCOME				
Charitable activities:				
Grants receivable		190,812	59,388	250,200
Investments	2	50,801	-	50,801
Other		455	-	455
Total income		<u>242,068</u>	<u>59,388</u>	<u>301,456</u>
EXPENDITURE				
Cost of raising funds:				
Investment management fees		12,308	-	12,308
Charitable activities	3	239,690	44,861	284,551
Total expenditure		<u>251,998</u>	<u>44,861</u>	<u>296,859</u>
Net income / (expenditure) before gains or losses		(9,930)	14,527	4,597
Net gains / (losses) on investments	8	98,035	-	98,035
Net income / (expenditure)		<u>88,105</u>	<u>14,527</u>	<u>102,632</u>
Reconciliation of funds				
Fund balances transferred in from unincorporated charity	11	1,613,735	110,863	1,724,598
Fund balances at 31 December 2021		<u><u>1,701,840</u></u>	<u><u>125,390</u></u>	<u><u>1,827,230</u></u>

AOUK & I

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. RELATED PARTY TRANSACTIONS

Transactions with trustees are detailed in note 6.

18. NON-AUDIT SERVICES PROVIDED BY THE AUDITOR

In common with many charities of our size and nature, we use our auditors to assist with the preparation of the financial statements.