

**Company number 522061**

**Registered Charity number 209299**

**BRITISH EDITORIAL SOCIETY OF  
BONE AND JOINT SURGERY (THE)  
(A COMPANY LIMITED BY GUARANTEE)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2020**

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**YEAR ENDED 31 DECEMBER 2020**

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**Officers and professional advisers**

**COUNCIL OF MANAGEMENT**

Mr Martin Bircher FRCS (Chairman)  
Mr Fergal Monsell FRCS (Treasurer)  
Ms Deborah Eastwood FRCS (Secretary)  
Mr David Limb FRCS  
Mr Bob Handley FRCS (President of the British Orthopaedic Association, from 1<sup>st</sup> October 2020)  
Mr Don McBride FRCS (President of the British Orthopaedic Association, to 30<sup>th</sup> September 2020)

**Secretary** Ms Deborah Eastwood MA FRCS

**Managing Director** Mr Richard Hollingsworth

**Editor, *The Bone & Joint Journal*** Professor Fares Haddad FRCS

**CHARITY NUMBER** 209299

**COMPANY NUMBER** 522061

**REGISTERED OFFICE** 22 Buckingham Street  
London WC2N 6ET

**BANKERS** Coutts & Co  
440 Strand  
London WC2R 0QS

**SOLICITORS** Wilsons Solicitors LLP  
4 Lincoln's Inn Fields  
London WC2A 3AA

**AUDITOR** Crowe U.K LLP  
55 Ludgate Hill  
London EC4M 7JW

**INVESTMENT ADVISORS** BlackRock Investment Managers (UK) Limited  
33 King William Street  
London EC4R 9AS

# **BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**

## **ANNUAL REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **TRUSTEES' REPORT**

The Board of Trustees of The British Editorial Society of Bone and Joint Surgery ("the Society") present their Annual Report for the year ended 31 December 2020 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that period.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

The British Editorial Society of Bone and Joint Surgery is a registered charity (No. 209299) and a company (No. 522061) limited by membership guarantees. Its registered office is as shown on page 1.

The present Trustees, and any past Trustees who served during the period, are given on page 1. The external advisers of the Society are also set out on page 1.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Revised Articles of Association were adopted by Members of the Society at the AGM on 31<sup>st</sup> May 2019. The Articles were updated to reflect changes in legislation and best practice. The only governing document of the Charity is now the Articles of Association.

The Members of the Society are everyone appointed to *The Bone & Joint Journal* Editorial Board.

The Board of Trustees, ("the Council of Management"), is responsible for the overall governance of the Society. Trustees are elected by, and are members of, *The Bone & Joint Journal* Editorial Board.

Members of the Society elect the Council of Management at the AGM, and the total number of Trustees may not exceed five. The President of the BOA occupies one of the five Trustee positions ex officio. The Chairman of the Council of Management is also Chairman of the Society. Elected Members of Council may remain in office for three years, and may, be re-elected for up to two further three-year terms. Council elects a Chairman, Treasurer and Secretary from its elected members. The person elected as Chairman serves in that office for three years. Council may appoint up to two co-opted trustees to serve on the Council of Management. Co-opted trustees are not required to have served on *The Bone & Joint Journal* Editorial Board.

Each Member of Council is required to take responsibility for specific aspects of the Society's work. Council normally meets formally four times a year.

New trustees receive a copy of the Articles, and as they have been a member of *The Bone & Joint Journal* Editorial Board, they are already familiar with the major issues facing the Society. Trustee training is provided in specific areas such as investment, when required.

The Council delegates the exercise of certain powers in connection with the management and administration of the Society as set out below. This is controlled by requiring regular reporting back to the Council, so that all decisions made under delegated powers can be ratified by the full Council in due course. The Council seeks advice from experts in advertising, finance, marketing, digital publishing, and other areas as required.

#### **REMUNERATION COMMITTEE AND MANAGEMENT REMUNERATION**

The Remuneration Committee comprises the Chairman, Treasurer and Managing Director. The Committee meets annually to review staff salaries and benefits and the fees paid to independent contractors. The review takes account of performance, prevailing market rates, and any changes in the job role.

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**MANAGING DIRECTOR AND EDITOR**

The Managing Director is responsible for the day-to-day management of the Society and for implementing policies agreed by the Council of Management. The Managing Director is assisted by the Senior Management Team, made up of the Head of Editorial & Production and the Head of Marketing & Sales.

The Editor is responsible for directing the editorial policy of The Bone & Joint Journal. He is aided by a team of Associate Editors, and by the Editorial Board. On editorial matters the Editor is accountable to the Editorial Board, and on publishing business matters to the Managing Director. The Managing Director reports to Council through the person of the Chairman. The Society publishes five other journals, each with their own Editors and Editorial Boards, and all the Society's journals, whilst editorially independent, come under the overall governance of the Council of Management.

**STATEMENT OF THE COUNCIL OF MANAGEMENT'S RESPONSIBILITIES**

The Council of Management are responsible for preparing the Annual Report and the financial statements in accordance with applicable law FRS 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The law applicable to charities in England and Wales requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources of the Society for that period. In preparing these financial statements, the Council of Management are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Council of Management is responsible for the maintenance and integrity of the corporate and financial information included in the Society's website.

The Council of Management have prepared these financial statements in accordance with FRS 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)' and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

So far as each member of the Council of Management is aware, there is no relevant audit information of which the Society's auditors are unaware. Each member of the Council of Management has taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

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## **RISK MANAGEMENT**

Risks are reviewed as a part of the regular Council meetings. A risk register is maintained and formally approved by Council on a quarterly basis. Key risks reviewed include strategic and operational areas linked to subscription and advertising revenues, changing business models in the publishing sector, the Impact Factors of our journals, and a potential decline to the Society's investment income. Membership deals with orthopaedic associations in the UK and overseas form a very important proportion of individual subscriptions, and they are kept under close review. In view of the Covid-19 pandemic, a separate risk register has been produced to monitor, and where appropriate, mitigate, the more immediate short and medium-term risks to the Society.

## **CONFLICT OF INTEREST**

Council has adopted a policy for conflicts of interest. All the trustees and senior managers have made a declaration of potential conflicts and signed the policy. The declarations have been reviewed and no serious conflicts have arisen.

## **OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY**

The objects of the Society for the public benefit are defined as: "The advancement of education in, and the improvement in the practice of, orthopaedics and allied branches of surgery together with the diffusion of such knowledge throughout the world."

Our principal activity in furtherance of these objects is the publication of *The Bone & Joint Journal* and related journals under the Society's Bone & Joint Publishing imprint. Other activities include: providing orthopaedic information via our websites; disseminating *The Bone & Joint Journal* and our other journals as widely as possible; and providing publishing services to third parties. The objectives of those activities, and the Society's achievements against them, are discussed under the heading Achievements and Performance, below. When planning our activities, the Council of Management have considered the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The Society provides public benefit by helping to increase the knowledge and skills of practising orthopaedic surgeons and researchers. Article titles and abstracts are fully searchable and freely available online for all content in *The Bone & Joint Journal*, and the full text of all articles over 5 years' old is also freely available.

## **ACHIEVEMENTS AND PERFORMANCE**

From the strategic plan this period's key objectives and the impact of our achievements are summarised as follows:

### ***Publishing and Marketing The Bone & Joint Journal***

Our aim is to publish the best quality papers in the science and practice of orthopaedics in *The Bone & Joint Journal*, and to encourage surgeons to subscribe and to read the Journal.

Submissions for publication from surgeons and researchers worldwide totalled 2,579 in calendar year 2020 (2019: 1,766). All submissions undergo a rigorous double-blind peer review process, and as a result only some 15% are accepted for publication, ensuring that the best papers in orthopaedics are published in *The Bone & Joint Journal*. We have continued to develop our online submissions and reviewing system which helps to ensure that we maintain our impressive response time to authors. About 90% of papers receive an initial decision from the Editor within six weeks of receipt.

Our policy is to keep the subscription rates to *The Bone & Joint Journal* as low as possible to increase accessibility. Surgeons in training benefit from a 50% discount on the consultant rate. At December 2020, trainee subscribers comprised some 10% of our total paid subscribers. We market the Journal worldwide in accordance with a Marketing Plan approved by Council as part of the annual budget cycle. This encompasses a wide range of activities including stands in exhibitions, approaches to orthopaedic associations, print media, email and specially designed web pages. Due to the pandemic most marketing activity centred around digital campaigns and virtual conference calls. We were not able to attend conferences and technical exhibitions which usually form a significant part of our activities.

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***Providing orthopaedic information via the website***

Our aim is to have a website which orthopaedic surgeons regard as “The Source” of reference and education.

We transitioned all the journals to a new online platform hosted by Atypon in early 2018. Every issue of *The Bone & Joint Journal* published since 1948 is available in its entirety via the website and full text for all issues more than five years’ old is freely available without subscription. In January 2020 we launched a new open access journal *Bone & Joint Open*. We also publish an open access journal aimed at the research community: *Bone & Joint Research*. This received its first Impact Factor in 2015 and the Impact Factor has increased in subsequent years. In February 2012 we launched a summary digest journal for orthopaedic surgeons, *Bone & Joint 360*, whose worldwide circulation continues to grow.

We continue to expand the information for orthopaedic surgeons that is available via our website. In January 2016 we launched *EFORT Open Reviews*, an open access journal, in partnership with the European Federation of National Associations of Orthopaedics and Traumatology (EFORT), and in September 2016 we signed an agreement with the European Paediatric Orthopaedic Society (EPOS) to publish *Journal of Children’s Orthopaedics*.

***To disseminate The Bone & Joint Journal as widely as possible***

Our aim is to increase the understanding of how *The Bone & Joint Journal* is published, to encourage authors to submit their papers to us, and thus increase the educational standard of the papers we publish. We also aim to make *The Bone & Joint Journal* as widely available as possible, given our financial constraints, so that the educational content reaches the widest possible worldwide audience.

The Editor has given talks at orthopaedic meetings in the UK and at many conferences around the world on *The Bone & Joint Journal* and our publishing process. In 2020 most of these talks were delivered virtually due to the covid-19 pandemic. The Editor also hosted well-attended Reviewers’ Days via Zoom, and we continue to expand the number of reviewers in the UK and internationally.

Local editions: We work with third-party publishers to publish local editions of selected papers, either to provide translations into major languages or to reach markets more easily than we can. These local editions are typically distributed free, funded by local sponsorship.

Developing countries: We support the Research4Life project that provides free online access to journals via accredited institutions in developing countries.

ABC Travelling Fellows: We provide donations to cover the travel costs of the ABC Travelling Fellows (surgeons selected by the AOA and BOA as the leaders amongst their generation to travel and learn about orthopaedic surgery in other countries) while they are in the UK, and we fund travel for UK surgeons travelling to the USA. Donations are also routinely made to support the EFORT Mark Paterson Travelling Fellowships, and to the British Orthopaedic Research Society (BORS). Although these Fellowships were postponed in 2020 they will restart once travel restrictions are lifted.

Core Trainee Prize Awards: In 2020 we introduced some new awards for Core Trainees. Trainees planning to apply for specialty training in orthopaedics in the UK and Ireland were invited to submit an essay or review paper on a subject relevant to the contemporary practice or future development of orthopaedic surgery. There were five award winners in 2020.

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***Providing publishing services***

Our aim is to work closely with national and supranational orthopaedic associations, providing production and publishing services, including those for EFORT and EPOS mentioned above. Our Orthopaedic Proceedings Supplement comprises the abstracts from presentations made at selected national and specialist society meetings worldwide. We published the papers from The Hip and The Knee Societies of the USA.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Statement of Financial Activities (SoFA) set out on page 12, shows that total income of £2.57m was down 0.8% on £2.59m for 2019. Online sales and open access revenues were £585k up from £379k in 2019. Subscriptions were £1.13m, from £1.38m the previous year. This movement is due to the growth in open access business models and the move to online only subscriptions. Expenditure on charitable activities at £2.16m was lower than the £2.65m in 2019. Total expenditure of £2.25m was lower than the previous year's figure of £2.74m, and this resulted in a net inflow for the period of £315,066 (2019: -£146,678). After taking into account realised and unrealised gains on investments, total fund balances increased by £1,208k (2019: £1,281k) to £19.81m (2019: £18.60m).

**FINANCIAL MANAGEMENT POLICIES**

***Reserves***

The Society's total funds were valued at approximately £19.81m at 31 December 2020 (2019: £18.60m), of which £15.86m represents the free reserves (2019: £14.68m). Free reserves comprise unrestricted funds which are expendable at the discretion of the Council of Management in furtherance of the charity's objects being total unrestricted funds less tangible fixed assets, investment properties and designated funds.

**Why we hold the reserves**

These provide an important resource which has enabled the Society to advance orthopaedic education by maintaining low subscription rates despite running a trading deficit on our publishing activities. These reserves have also allowed the Society to fund the important educational initiative of providing reduced subscription rates to trainees to encourage the newest members of the profession to subscribe to our publications in both their paper and electronic forms. The income derived from the investments is used for continuing operations and for funding new developments. These developments include continued investment in new technology for the digital dissemination of information, the cost of maintaining and enhancing the website, and investment in new publishing activities in furtherance of our charitable objectives.

The Council of Management has reviewed the level of free reserves which it feels are appropriate for a Society which carries a number of major risks in its publishing activities, and believes that a figure of approximately £14-16m is required in order to mitigate risks including the following:

- the need to invest in new technology to exploit the potential of digital technologies and solutions
- increasing publication, printing and distribution costs
- potential decreases in advertising revenue
- pressures on journal subscription income and a move to open access business models
- potential litigation from author, patient, manufacturer or other organisation
- plans to invest in additional medical publishing activities to further our educational objectives
- fluctuations in stock market performance
- uncertainty following Brexit
- impact of Covid-19 on operating revenues and investment income



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The Council of Management believe that it is important for the Society to hold reserves to mitigate these risks, and to provide investment income to the Society. They are mindful that the current level is higher than in previous years and will continue to keep this under review. The current Reserves Policy takes into account the financial pressures on the journal subscription model, reduced library budgets, reduced advertising income, the need to invest in new digital services, and the potential longer term impact of Covid 19 and Brexit on the Society's finances.

**What level (or range) of reserves the trustees believe the charity needs**

The Council of Management regularly reviews the level of reserves which it feels are appropriate for a charitable medical publisher and Council believes that the current level of reserves enables us to achieve our charitable objectives. In order to maintain this level of reserves, Council has given the investment managers the investment objective of maximising long-term total return while also providing income.

**Arrangements for monitoring and reviewing the policy**

The Treasurer and Managing Director meet regularly with the Society's investment managers, BlackRock, to review targets, the investment managers' performance against them, and to assess whether invested assets are at an appropriate level. The Treasurer reports the outcome of these meetings back to Council. The Council of Management are keeping under review the impact of changes in the global economy on our principal sources of income – subscriptions and advertising – and on our costs. Significant changes in these might require a revision of the Reserves Policy.

**Review of policy**

The Trustees review this Reserves Policy on an annual basis.

***Going Concern***

Bearing in mind current trading, future plans and existing levels of reserves, the Council of Management has a reasonable expectation that the Society has adequate resources to continue its activities for the foreseeable future. Council has considered the potential adverse effect of the Covid-19 pandemic on the Society. Although there is likely to be a negative impact on advertising revenue and subscription income, the Council of Management believe the existing strategy and core activities of the Society can continue as planned. Accordingly, the Council continues to adopt the going concern basis in preparing the financial statements.

**INVESTMENT POLICY AND PERFORMANCE**

Under the Articles of Association, the Society is required to invest monies not immediately required for the purposes of the Society, in investments or securities as may be thought fit. The Council of Management has delegated their investment powers to BlackRock, who oversee the everyday interests in the investments and report to the Society on a quarterly basis.

In 2019 the Charity transitioned the investment portfolio to invest in the new BlackRock Charities Growth & Income Fund. The Fund seeks to provide a liquid, risk-aware, diversified investment solution for charity investors. The Fund has twin objectives: it aims to deliver long-term capital growth and a steady income distribution.

The Fund's sustainable investment policy is central to its strategy which closely aligns with the values, ethos and principles of the Society. In addition to specific sector exclusions, such as tobacco and armaments, Environmental, Social and Governance (ESG) criteria is integrated into the investment process as a long-term risk management tool.

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The Society's objective for its investments is to maximise the long-term total return, after providing for the annual income target, which is approximately £300k-£350k, with cautious to moderate risk appetite.

During the year ending 31 December 2020, the portfolio produced an income of £524k (2019: £351k). The value of the portfolio increased to £14.06m (2019: £13.09m).

**FUTURE PLANS**

We plan to continue development of *The Bone & Joint Journal* as the leading international orthopaedic journal, including further enhancements of the website, and international editions.

We will also further develop our newer titles, *Bone & Joint Open*, *Bone & Joint Research* and *Bone & Joint 360*, *EFORT Open Reviews* and the *Journal of Children's Orthopaedics*. We will launch two new digital platforms in 2021.

**AUDITOR**

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

This report has been prepared taking advantage of the small companies' exemptions within the Companies Act.

Signed on behalf of the Council of Management on 4th June 2021 by:



**Martin Bircher**  
Chairman

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**

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### **Opinion**

We have audited the financial statements of British Editorial Society of Bone & Joint Surgery (The) ('the charitable company') for the year ended 31 December 2020 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 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 charitable company's affairs as at 31 December 2020 and of 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 trustee's 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **TO THE MEMBERS OF BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 3, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT (continued)

### TO THE MEMBERS OF BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were copyright laws, taxation laws and General Data Protection Regulation (GDPR).

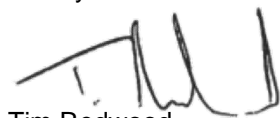
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Council of Management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### **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.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

8 June 2021

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating an Income and Expenditure Account)  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Unrestricted Funds**

|  | Notes | 2020<br>£         | 2019<br>£  |
|--|-------|-------------------|------------|
| <b>Income from</b>                                   |       |                   |            |
| <b><i>Charitable activities</i></b>                  |       |                   |            |
| Subscriptions  | 3     | 1,132,369         | 1,383,183  |
| Reprints and royalties                               |       | 54,610            | 80,690     |
| Online sales and Open Access                         |       | 585,399           | 378,650    |
| Other income   |       | 6,642             | 3,895      |
| <b><i>Other trading activities</i></b>               |       |                   |            |
| Rental income  |       | 119,332           | 128,285    |
| Advertisements                                       |       | 149,164           | 262,460    |
| <b><i>Investments</i></b>                            |       |                   |            |
| Interest receivable                                  | 5     | 1,938             | 5,332      |
| Income from investments                              | 4     | 524,294           | 351,565    |
| <b>Total income</b>                                  |       | <b>2,573,748</b>  | 2,594,060  |
| <b>Expenditure on</b>                                |       |                   |            |
| <b><i>Raising funds</i></b>                          |       |                   |            |
| Advertisements                                       |       | 37,934            | 68,511     |
| Investment manager's fees                            |       | 47,536            | 15,160     |
| Property costs                                       |       | 11,900            | 6,627      |
|  |       | <b>97,370</b>     | 90,298     |
| <b><i>Charitable activities</i></b>                  |       |                   |            |
| Publishing and marketing the Journals                |       | 1,768,356         | 2,147,656  |
| Providing orthopaedic information via the website    |       | 211,889           | 188,565    |
| Disseminating the Journals as widely as possible     |       | 46,366            | 116,557    |
| Providing publishing services                        |       | 134,701           | 197,662    |
|  | 6     | <b>2,161,312</b>  | 2,650,440  |
| <b>Total expenditure</b>                             |       | <b>2,258,682</b>  | 2,740,738  |
| <b>Net income before investment gains and losses</b> |       | <b>315,066</b>    | (146,678)  |
| Net gains / (losses) on investments                  |       | <b>893,265</b>    | 1,428,183  |
| Net income and net movement in funds                 |       | <b>1,208,331</b>  | 1,281,505  |
| <b>Total funds brought forward</b>                   |       | <b>18,607,292</b> | 17,325,787 |
| <b>Total funds carried forward</b>                   |       | <b>19,815,623</b> | 18,607,292 |

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

|  | Notes | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|-------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                      |       |                    |                    |
| Intangible assets  | 7     | 136,711            | 41,450             |
| Tangible assets  | 8     | 810,434            | 834,916            |
| Investments  | 9     | 16,884,817         | 15,913,294         |
|  |       | <b>17,831,962</b>  | <b>16,789,660</b>  |
| <b>CURRENT ASSETS</b>                                    |       |                    |                    |
| Debtors  | 10    | 425,602            | 437,891            |
| Cash at bank and in hand                                 |       | 2,324,102          | 2,255,660          |
|  |       | <b>2,749,704</b>   | <b>2,693,551</b>   |
| <b>CREDITORS:</b> amounts falling due within one year    | 11    | <b>755,372</b>     | <b>867,739</b>     |
| <b>NET CURRENT ASSETS</b>                                |       | <b>1,994,332</b>   | <b>1,825,812</b>   |
| <b>CREDITORS:</b> amounts falling due more than one year | 12    | <b>10,671</b>      | <b>8,180</b>       |
| <b>NET ASSETS</b>  |       | <b>19,815,623</b>  | <b>18,607,292</b>  |
| <b>FUNDS</b>   |       |                    |                    |
| Unrestricted funds                                       | 14    |                    |                    |
| General  |       | 18,130,157         | 16,992,605         |
| Fixed assets   |       | 947,145            | 876,366            |
| Revaluation reserve                                      |       | 416,503            | 416,503            |
| Designated - charitable donations                        |       | 321,818            | 321,818            |
|  |       | <b>19,815,623</b>  | <b>18,607,292</b>  |

These financial statements were approved and authorised for issue by the Council of Management on  
4th June 2021 and signed on their behalf by:

Chairman



Mr Martin Bircher

Treasurer



Mr Fergal Monsell

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Notes | 2020<br>£        | 2019<br>£        |
|--|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>            |       |                  |                  |
| Net cash used in operating activities                  | (a)   | (229,032)        | (270,757)        |
| <b>Cash flows from investing activities:</b>           |       |                  |                  |
| Dividends, interest & rents from investments           |       | 524,294          | 351,565          |
| Purchase of fixed assets                               |       | (16,026)         | (111,105)        |
| Purchase of intangible assets                          |       | (132,536)        | -                |
| Proceeds from sales of investments                     |       | 2,343,730        | 12,277,249       |
| Purchase of investments                                |       | (2,421,988)      | (12,231,810)     |
| <b>Net cash provided by investing activities</b>       |       | 297,474          | 285,899          |
| <b>Change in cash and cash equivalents in the year</b> |       | 68,442           | 15,142           |
| Cash and cash equivalents brought forward              |       | 2,255,660        | 2,240,518        |
| <b>Cash and cash equivalents carried forward</b>       | (b)   | <b>2,324,102</b> | <b>2,255,660</b> |

|   |                  |                  |
|---|------------------|------------------|
| <b>a) Reconciliation of net incoming resources to net cash inflow from operating activities</b> | <b>2020</b>      | <b>2019</b>      |
|   | <b>£</b>         | <b>£</b>         |
| Net income / (expenditure) for the year   | 1,208,331        | 1,281,506        |
| <i>Adjustment for:</i>  |                  |                  |
| Depreciation and amortisation charges   | 77,782           | 80,160           |
| Gains / (losses) on investments   | (893,265)        | (1,428,184)      |
| Dividends, interest and rents from investments  | (524,294)        | (351,565)        |
| Loss on disposal of fixed assets  | -                | 6,949            |
| Decrease in debtors   | 12,289           | 112,791          |
| Increase/(Decrease) in creditors  | (109,875)        | 27,586           |
| <b>Net cash used in operating activities</b>  | <b>(229,032)</b> | <b>(270,757)</b> |

|   |                  |                  |
|---|------------------|------------------|
| <b>b) Analysis of cash and cash equivalents</b> | <b>2020</b>      | <b>2019</b>      |
|   | <b>£</b>         | <b>£</b>         |
| Cash in hand                                    | 2,234,102        | 2,255,660        |
|   | <b>2,234,102</b> | <b>2,255,660</b> |



**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES**

**a) Charity information**

The Society is a registered charity in England and Wales and a company limited by guarantee (company number: 522061). The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member of the company. There are 49 members. It is a Public Benefit entity, governed by its Articles of Association, updated and adopted by the members of the Society on 31<sup>st</sup> May 2019.

The Society's Charity Commission registration number is 209299 and its registered address is 22 Buckingham Street, London, WC2N 6ET.

**b) Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The functional currency of the Society is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

After making enquiries, and in discussing the issues and impact of the Covid-19 pandemic as stated on page 7, the Council of Management have a reasonable expectation that the Society has adequate resources to continue its activities for the foreseeable future. The trustees are not aware of any material uncertainties about the Society's ability to continue and accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**c) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Society's accounting policies, which are described in this note, Council are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Council, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the presentation of the financial statements are as follows

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**d) Depreciation**

All items with a value greater than £250 have been capitalised. Depreciation is only charged on an asset when it has been brought into use. Depreciation is provided on the cost of assets, in equal annual instalments, over the estimated useful lives of the assets. The rates of depreciation are as follows:

|                         |               |
|-------------------------|---------------|
| Freehold premises       | Over 50 years |
| Long leasehold premises | Over 50 years |
| Computer equipment      | 33% per annum |
| Other equipment         | 20% per annum |
| Fixtures and fittings   | 10% per annum |

**e) Intangible assets**

Intangible fixed assets represent software costs and website development costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight line basis over the period which revenue is expected to be generated (3years).

Amortisation is recognised in the Statement of Financial Activities as part of expenditure and is allocated across the expenditure headings on the same basis as Support & Governance costs.

**f) Translation of foreign currencies**

Transactions in foreign currencies are converted into sterling using the prevailing rate of exchange. There is also a rate pre-determined by the Council of Management which is used throughout the period.

Assets and liabilities at the period end which are denominated in foreign currency are translated at the rates ruling at the balance sheet date. Exchange differences arising on translation are dealt with in the Statement of Financial Activities.

**f) Investments**

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. The differences between the carrying value (or cost if acquired during the period) and the proceeds of investments disposed of are shown as realised investment gains or losses in the Statement of Financial Activities.

Investment properties are stated at their market value at the balance sheet date. No depreciation is provided for in respect of investment properties in accordance with FRS102. Such properties are held for their investment potential and not for consumption within the business.

**g) Pensions**

Retirement benefits to certain employees are funded by contributions from the Society, which are paid into their personal pension schemes and charged against the results for the period in which they become payable.

# BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1. ACCOUNTING POLICIES (Continued)

#### h) Fund accounting

General funds are available for use at the discretion of the Council of Management in furtherance of the objects of the Society.

Designated funds comprise general funds which have been set aside at the discretion of the Council of Management for specific purposes.

#### i) Income

All income is accounted for on a receivable basis and is stated net of discounts. Any income restricted to future accounting periods is deferred and recognised in those accounting periods. Investment income is accounted for on an accruals basis. Rental income is recognised in the period to which it relates, based on the operating lease agreement.

Subscription income is recognised over the period during which the subscriber is entitled to the benefits of the subscription. Sales income is recognised in the period in which a sale takes place. Investment income is recognised based on the ex dividend date.

#### j) Expenditure

All expenses are accounted for on an accruals basis. Irrecoverable VAT is included with the item of expense to which it relates.

Expenditure on raising funds comprise those costs directly attributable to managing the investment portfolio and the costs of advertising in the journal publications.

Expenditure incurred in connection with the specific objects of the Society is included under the heading "charitable activities". This would include the costs of journal publications. Expenditure on charitable activities has been directly allocated to the main areas of expenditure where possible, and the remainder has been proportionally allocated on the basis of staff time spent in each area. Support costs comprise staff costs together with the general overheads of the Society. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

#### k) Financial Instruments

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument.

Additionally all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost with the exception of Investments which are held at fair value.

Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. TURNOVER**

Analysis of subscription income by geographical area is as follows:

|                   | 2020       | 2019       |
|-------------------|------------|------------|
|                   | %          | %          |
| United Kingdom    | 30         | 38         |
| Europe            | 16         | 9          |
| USA               | 14         | 9          |
| Rest of the world | 40         | 44         |
|                   | <u>100</u> | <u>100</u> |

**3. SUBSCRIPTIONS AND DEFERRED INCOME**

|                              | 2020             | 2019             |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Subscription income received | 1,162,915        | 1,357,608        |
| Release of prior year        | 494,228          | 519,804          |
| Deferred in period           | (524,774)        | (494,228)        |
|                              | <u>1,132,369</u> | <u>1,383,183</u> |

**4. INCOME FROM LISTED INVESTMENTS**

|                                     | 2020           | 2019           |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Income from listed investments – UK | 524,294        | 344,507        |
| – Foreign                           | -              | 7,058          |
|                                     | <u>524,294</u> | <u>351,565</u> |

**5. INTEREST RECEIVABLE**

|               | 2020         | 2019         |
|---------------|--------------|--------------|
|               | £            | £            |
| Bank interest | 1,938        | 5,332        |
|               | <u>1,938</u> | <u>5,332</u> |

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. CHARITABLE ACTIVITIES**

|   | Support<br>Costs<br>£ | Direct<br>Costs<br>£ | <b>2020<br/>Total<br/>£</b> | <i>2019<br/>Total<br/>£</i> |
|---|-----------------------|----------------------|-----------------------------|-----------------------------|
| Publishing and marketing the Journals             | 330,902               | 1,437,454            | <b>1,768,356</b>            | 2,147,656                   |
| Providing orthopaedic information via the website | 46,224                | 165,665              | <b>211,889</b>              | 188,565                     |
| Disseminating the journals as widely as possible  | 46,224                | 142                  | <b>46,366</b>               | 116,557                     |
| Providing publishing services                     | 23,112                | 111,589              | <b>134,701</b>              | 197,662                     |
|   | <u>446,462</u>        | <u>1,714,850</u>     | <u><b>2,161,312</b></u>     | <u>2,650,440</u>            |

|  | <b>2020<br/>£</b>     | <i>2019<br/>£</i> |
|--|-----------------------|-------------------|
| <b>Support costs are represented by:</b> |                       |                   |
| Salaries                                 | <b>148,417</b>        | 118,756           |
| HR Consultancy                           | <b>4,768</b>          | 4,768             |
| Training                                 | <b>2,166</b>          | 15,249            |
| Travelling                               | <b>7,957</b>          | 73,156            |
| Repairs and maintenance                  | <b>77,154</b>         | 220,569           |
| Depreciation                             | <b>77,782</b>         | 87,110            |
| Staff recruitment                        | <b>750</b>            | 30,493            |
| Entertaining                             | <b>7,199</b>          | 26,899            |
| Stationery                               | <b>1,999</b>          | 2,391             |
| Postage                                  | <b>876</b>            | 516               |
| Telephone and fax                        | <b>9,481</b>          | 7,929             |
| Sundry expenses                          | <b>8,136</b>          | 5,875             |
| Insurance                                | <b>12,997</b>         | 9,936             |
| Exchange (gains) / losses                | <b>(22,441)</b>       | (4,177)           |
| Legal and professional                   | <b>14,712</b>         | 24,885            |
| Bank charges                             | <b>6,479</b>          | 7,731             |
| Cleaning                                 | <b>7,197</b>          | 14,456            |
| Lighting and heating                     | <b>7,203</b>          | 5,083             |
| Rates and water rates                    | <b>21,914</b>         | 21,954            |
| Archive and library restoration          | <b>295</b>            | 296               |
| Bad debts                                | <b>1,350</b>          | 400               |
| Audit and accountancy                    | <b>50,071</b>         | 40,900            |
|  | <u><b>446,462</b></u> | <u>715,174</u>    |

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

| <b>Employee costs during the year:</b> | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Wages and salaries                     | <b>695,164</b> | 821,924        |
| Social security costs                  | <b>79,122</b>  | 81,506         |
| Other pension costs                    | <b>58,768</b>  | 71,702         |
|  | <b>833,054</b> | <b>975,132</b> |

|  |            |            |
|--|------------|------------|
|  | <b>No.</b> | <b>No.</b> |
| The average number of employees, who were all involved in the direct charitable activities was | <b>18</b>  | <b>18</b>  |

The number of individuals who earned greater than £60,000 during the year was as follows:

|                     |          |          |
|---------------------|----------|----------|
| £60,001 - £70,000   | <b>1</b> | <b>1</b> |
| £70,001 - £80,000   | -        | <b>1</b> |
| £90,001 - £100,000  | -        | -        |
| £100,001 - £110,000 | -        | <b>1</b> |
| £110,001 - £120,000 | <b>1</b> | <b>1</b> |

The key management personnel of the Society (excluding the Council of Management) are the Senior Management Team as defined on page 3. Total remuneration paid to these individuals was £399,454 during the year (2019: £556,152)

Members of the Council of Management received no remuneration during either the current or preceding financial years. Expenses relating to travel and subsistence of £4,163 (2019: £6,554) were paid on behalf of 5 (2019: 5) members of the Council of Management during the year.

During the year the Society made no termination payments (2019: £61,985) and £nil was outstanding at year-end (2019: £61,985).

The husband of the Head of Editorial & Production, who is a member of the Senior Management Team, was contracted in the year to design and build an online booking system to attend Society events. The value of this work was £455 and the amount outstanding at the year end was £nil.

## 7. INTANGIBLE FIXED ASSETS

|                       | <b>Software</b> | <b>Website</b> | <b>Assets under construction</b> | <b>Total</b>   |
|-----------------------|-----------------|----------------|----------------------------------|----------------|
|                       | <b>£</b>        | <b>£</b>       | <b>£</b>                         | <b>£</b>       |
| <b>Cost</b>           |                 |                |                                  |                |
| At 1 January 2020     | 16,836          | 363,463        | -                                | 380,299        |
| Additions             | -               | -              | 132,536                          | 132,536        |
| At 31 December 2020   | <u>16,836</u>   | <u>363,463</u> | <u>132,536</u>                   | <u>512,835</u> |
| <b>Amortisation</b>   |                 |                |                                  |                |
| At 1 January 2020     | 14,649          | 324,200        | -                                | 338,849        |
| Charge for the year   | 1,040           | 36,235         | -                                | 37,275         |
| At 31 December 2020   | <u>15,689</u>   | <u>360,435</u> | <u>-</u>                         | <u>376,124</u> |
| <b>Net book value</b> |                 |                |                                  |                |
| At 31 December 2020   | <u>1,147</u>    | <u>3,028</u>   | <u>132,536</u>                   | <u>136,711</u> |
| At 31 December 2019   | <u>2,187</u>    | <u>39,263</u>  | <u>-</u>                         | <u>41,450</u>  |

Assets under construction at year end relates to a digital platform to enable new product development.

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>premises<br>£ | Equipment<br>£ | Fixtures<br>& fittings<br>£ | Total<br>£       |
|-----------------------|---------------------------|----------------|-----------------------------|------------------|
| <b>Cost</b>           |                           |                |                             |                  |
| At 1 January 2020     | 1,100,000                 | 125,972        | 113,098                     | 1,339,070        |
| Additions             | -                         | 15,513         | 513                         | 16,026           |
| At 31 December 2020   | <u>1,100,000</u>          | <u>141,485</u> | <u>113,611</u>              | <u>1,355,096</u> |
| <b>Depreciation</b>   |                           |                |                             |                  |
| At 1 January 2020     | 376,470                   | 67,742         | 59,942                      | 504,154          |
| Charge for the year   | 14,668                    | 19,318         | 6,522                       | 40,508           |
| At 31 December 2020   | <u>391,138</u>            | <u>87,060</u>  | <u>66,464</u>               | <u>544,662</u>   |
| <b>Net book value</b> |                           |                |                             |                  |
| At 31 December 2020   | <u>708,862</u>            | <u>54,425</u>  | <u>47,147</u>               | <u>810,434</u>   |
| At 31 December 2019   | <u>723,530</u>            | <u>58,230</u>  | <u>53,156</u>               | <u>834,916</u>   |

Included within freehold property is land with an estimated cost of £366,600 which has not been depreciated.

**BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY (THE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. INVESTMENTS HELD AS FIXED ASSETS**

| <b>LISTED INVESTMENTS</b>                        | <b>2020</b>        | <b>2019</b>  |
|--|--------------------|--------------|
|  | <b>£</b>           | <b>£</b>     |
| <b>Market value</b>                              |                    |              |
| At start of the period                           | <b>13,088,294</b>  | 11,705,550   |
| Additions  | <b>2,421,988</b>   | 12,231,810   |
| Disposals  | <b>(2,343,730)</b> | (12,277,250) |
| Net gains  | <b>893,265</b>     | 1,428,184    |
|  | <b>14,059,817</b>  | 13,088,294   |
| Market value of investments at end of the period |                    |              |
| Cash held for reinvestment                       | -                  | -            |

These investments are held fully in the BlackRock Charities Growth & Income Fund which is a mix of equity, fixed interest and other

| <b>INVESTMENT PROPERTIES</b>      | <b>2020</b>      | <b>2019</b> |
|-----------------------------------|------------------|-------------|
|                                   | <b>£</b>         | <b>£</b>    |
| <b>Market Value</b>               |                  |             |
| At start of the period            | <b>2,825,000</b> | 2,825,000   |
| Revaluation gains / (losses)      | -                | -           |
| Market value at end of the period | <b>2,825,000</b> | 2,825,000   |

A full valuation of the Society's investment properties in Buckingham Street and John Adam Street was carried out as at 31 December 2018. The market value of the property in Buckingham Street was estimated at £2,100,000 based upon a professional valuation undertaken by Third Sector Property, Chartered Surveyors. There has been limited change in the commercial or residential market for properties of this nature during the financial period and therefore the carrying value of these assets remains unchanged. The Society has considered the house price index in relation to the Little Adelphi and other commercial indicators for 8 Buckingham Street, and are satisfied that the valuations of both properties are true and fair.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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| <b>10. DEBTORS</b>               | <b>2020</b>           | <b>2019</b>           |
|----------------------------------|-----------------------|-----------------------|
|                                  | <b>£</b>              | <b>£</b>              |
| Trade debtors                    | <b>95,441</b>         | 121,785               |
| Other debtors and accrued income | <b>217,500</b>        | 198,149               |
| Prepayments                      | <b>112,661</b>        | 117,957               |
|                                  | <b><u>425,602</u></b> | <b><u>437,891</u></b> |

| <b>11. CREDITORS: amounts falling due within one year</b> | <b>2020</b>           | <b>2019</b>           |
|---|-----------------------|-----------------------|
|   | <b>£</b>              | <b>£</b>              |
| Trade creditors   | <b>65,070</b>         | 91,858                |
| Other taxes and Social Security                           | <b>26,700</b>         | 31,963                |
| Other creditors   | <b>27,681</b>         | 58,361                |
| Accruals and deferred income                              | <b>635,920</b>        | 685,557               |
|   | <b><u>755,371</u></b> | <b><u>867,739</u></b> |

| <b>12. CREDITORS: amounts falling due more than one year</b> | <b>2020</b>   | <b>2019</b> |
|--|---------------|-------------|
|  | <b>£</b>      | <b>£</b>    |
| Accruals and deferred income                                 | <b>10,671</b> | 8,180       |

**13. PENSION SCHEME**

The Society makes payments to certain employees' personal schemes. During the year £58,768 (2019: £71,702) was charged to the Statement of Financial Activities.

**14. FUNDS**

**Statement of funds – current year**

|                                 | At 1 January<br>2020     | Income                  | Expenditure               | Gains/<br>(losses)    | Transfers       | At 31<br>December<br>2020 |
|---------------------------------|--------------------------|-------------------------|---------------------------|-----------------------|-----------------|---------------------------|
|                                 | £                        | £                       | £                         | £                     | £               | £                         |
| <b>Unrestricted funds</b>       |                          |                         |                           |                       |                 |                           |
| Designated fixed asset          | <b>876,366</b>           | -                       | -                         | -                     | 70,779          | <b>947,145</b>            |
| Designated charitable donations | <b>321,818</b>           | -                       | -                         | -                     | -               | <b>321,818</b>            |
| Revaluation reserve             | <b>416,503</b>           | -                       | -                         | -                     | -               | <b>416,503</b>            |
| General funds                   | <b>16,992,605</b>        | 2,573,748               | (2,258,682)               | 893,265               | (70,779)        | <b>18,130,157</b>         |
| <b>Total unrestricted funds</b> | <b><u>18,607,292</u></b> | <b><u>2,573,748</u></b> | <b><u>(2,258,682)</u></b> | <b><u>893,265</u></b> | <b><u>-</u></b> | <b><u>19,815,623</u></b>  |

The Council of Management have set aside £947,145 (2019: £876,366) into a designated fund to reflect the amount of funds held as tangible fixed assets.

**THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY**  
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**Statement of funds – prior year**

|                                 | At 1 January<br>2019 | Income           | Expenditure        | Gains/<br>(losses) | Transfers | At 31<br>December<br>2019 |
|---------------------------------|----------------------|------------------|--------------------|--------------------|-----------|---------------------------|
|                                 | £                    | £                | £                  | £                  | £         | £                         |
| <b>Unrestricted funds</b>       |                      |                  |                    |                    |           |                           |
| Designated fixed asset          | 852,371              | -                | -                  | -                  | 23,995    | <b>876,366</b>            |
| Designated charitable donations | 374,440              | -                | (52,622)           | -                  | -         | <b>321,818</b>            |
| Revaluation reserve             | 416,503              | -                | -                  | -                  | -         | <b>416,503</b>            |
| General funds                   | 15,682,473           | 2,594,060        | (2,688,116)        | 1,428,183          | (23,995)  | <b>16,992,605</b>         |
| <b>Total unrestricted funds</b> | <b>17,325,787</b>    | <b>2,594,060</b> | <b>(2,740,738)</b> | <b>1,428,183</b>   | <b>-</b>  | <b>18,607,292</b>         |