

THE JOHN CHARNLEY TRUST

England & Wales · Charity number 326395

Details

Status Registered

Legal form Trust

Registered 1983-08-04

Register [View on the Charity Commission register](#)

Contact

Address 28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Phone 01772299888

Email mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

Activities

Objects: THE PROMOTION OF RESEARCH, EDUCATION AND TRAINING FOR, OR INTO THE RELIEF OF PAIN, SUFFERING AND DISABILITY ARISING OUT OF OR ASSOCIATED WITH JOINTS OF THE HUMAN SKELETON AND IN PARTICULAR IN THE FIELD OF LOW FRICTION ARTHROPLASTY OF THE HIP AND RELATED AREAS OF SURGERY.

Activities: The principal activities of the Charity are those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£73,616	£114,582	-	-
2024-06-30	£83,264	£145,639	-	-
2023-06-30	£86,346	£116,021	-	-
2022-06-30	£56,630	£103,475	-	-
2021-06-30	£86,836	£82,374	-	-

Trustees

Name	Role	Appointed
MARTYN LONSDALE PORTER	Chair	
ALISTAIR CHARLES ROSS		
Dr Henry Wynn Jones MBChB FRCS		2019-01-16
JOHN PATTISON HODGKINSON		
Professor Adam Charles Watts MBBS BSc		2019-01-16
Richard Parkinson FRCSEdOrth		2019-01-16
Tristram Charnley		

THE JOHN CHARNLEY TRUST

England & Wales - Charity number 326395

Accounts

The John Charnley Trust
Report of the Trustees and
Audited Financial Statements
for the Year Ended 30 June 2025

The John Charnley Trust

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The John Charnley Trust

Report of the Trustees for the year ended 30 June 2025

The trustees present their report with the financial statements of the charity for the year ended 30 June 2025.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object of the Charity is the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of Low Friction Arthroplasty of the hip and related areas of surgery.

The principal activities of the charity continue to be those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

Significant activities

The objectives for the year were to continue the promotion of research, education and training in the field of orthopaedic surgery. In achieving these aims the charity was able to carry out the following;

The charity promoted education and training by creating The Charnley Fellowship in 2010 from the gift of the late Mrs Doreen Latta, a patient who underwent reconstructive surgery at Wrightington Hospital and thereafter had over 30 years of pain-free walking and led a normal life.

Applications continue to be invited from committed orthopaedic surgeons for the unique opportunity to visit centres of excellence in reconstructive hip and knee surgery world-wide.

The charity promoted education by creating the Patient Information Centre at Wrightington. Due to redevelopment work at Wrightington Hospital the historical collection was largely placed in temporary storage although plans are being currently developed for a new site.

The Memorial Lecture was by Ian McGeechan in March 2025 at the British Hip Society meeting in Harrogate.

The charity promoted education and research by making grants including: -

Wrightington Wigan and Leigh NHS Trust	Education and Research coordination (see below)
Wrightington Wigan and Leigh NHS Trust	Origin Study by T Board
M Ammori	The Charnley Fellowship
H Magill	The Charnley Fellowship
I Kennedy	The Charnley Fellowship
Z Hamoodi	MD Studies
J Lamb	Future Leaders Programme

The funding from the Charity facilitates the growth and development in Hip and Knee research and Lower Limb Education at Wrightington Hospital.

Research and Education activity continues to thrive with the help of funding and secretarial support from the Charity.

The John Charnley Trust

Report of the Trustees **for the year ended 30 June 2025**

OBJECTIVES AND ACTIVITIES

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

Grantmaking

The charity receives applications for the funding of projects through its website and publications and applicants are invited to submit a summary of their proposals in a standard format. The applications are reviewed against specific criteria and research objectives. As a condition of the grant the charity requests a copy of the final report on each piece of research or fellowship. All research is made publicly available as soon as possible and all those supported refer to the financial assistance provided by the charity.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2025

ACHIEVEMENTS AND PERFORMANCE

Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £218 (2024: £Nil) and a legacy of £2,000 (2024: £10,000).

A Legacy of £292,256 was received after the year end from the late Elizabeth Eurwen Lewis.

Education and Courses.

The education and courses activity was previously coordinated at Wrightington by Henry Wynn Jones and Sunil Panchani, during the year Chris Welton took over from Henry Wynn Jones.

Growth of the meetings/courses has been somewhat limited by not having replaced the course administrator who retired in March 2025. After a significant delay by Wrightington, Wigan & Leigh NHS Trust, the position was advertised, shortlisted and interviewed. Of the four candidates invited to interview, one attended, was offered the position but dropped out owing to the offer of a better salary at her current employment.

Despite this, high quality educational content in 2025 has continued to be offered, including three FRCS viva courses, a British Hip Society associated basic hip course, acetabular masterclass course and regional registrar teaching.

In 2026 there are plans for a slightly reduced calendar, but will offer FRCS courses, a combined periprosthetic and acetabular meeting in May, and the Wrightington International Arthroplasty Meeting (WiAM). The meetings are being run in association with Clockwork Medical who have previously helped with WiAM, and whose input is somewhat mitigating the current absence of a course administrator. Another part time administrator has been hugely helpful in maintaining educational content delivery over the last 12 months.

The Charity continues to utilise the future leaders programme to enhance Wrightington Hospital, this year funding Josh Lamb and next year Eddie Jeans, peripheral nerve surgeon who will undoubtedly continue to develop the nationally renowned Wrightington service with the support of this networking and leadership development opportunity.

Research

The research activity was previously coordinated at Wrightington by Tim Board and Hiren Divecha, during the year Jonathan Barrow took over from Tim Board. Josh Lamb is now involved in research methodology and big data analysis.

There has been a significant downturn in trainee engagement and interest in participating in research activity over the last few years. Unfortunately, this has been driven by changes in the National Trauma and Orthopaedics (T&O) training curriculum and requirements for the Certificate of Completion of Training. Previously this included mandatory research paper publication (two by the end of training) which has now been removed. Jonathan Barrow has worked hard with trying to engage with more junior T&O trainees in the North West region and in Wrightington. Regular journal club meetings are run between Jonathan Barrow and Josh Lamb to try to encourage project idea generation and take-up. These have not managed to gain much traction as yet and there will be discussions on a plan moving forward into the following year to try to improve this position.

We continue to be active in supporting National Institute for Health and Care Research (NIHR) portfolio studies in the lower limb unit at Wrightington. The HIPPY trial (Principal Investigator - Tim Board, supported by Hiren Divecha and Josh Lamb) continues to recruit and are approximately on target for the agreed recruitment. The OAKS trial (Principal Investigator - Hiren Divecha) successfully opened, over recruited and closed in December 2025. The RESULT-Hip trial in hip fractures (Principal Investigator - Hiren Divecha) closed in September 2025 with lower than anticipated recruitment on the trauma site (mainly due to many patients not meeting the inclusion criteria).

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2025

ACHIEVEMENTS AND PERFORMANCE

Investment performance

Global equities delivered solid returns over the year, supported by resilient earnings, monetary policy stability and easing geopolitical risk. Broad benchmarks such as the MSCI All Country World Index recorded double-digit gains, marking one of the few consecutive years of strong performance despite headwinds from trade tensions and valuation concerns. The U.S. S&P 500 rose significantly, with extended leadership from technology and AI-related sectors helping drive all-time highs through the first half of 2025. Developed and emerging markets outside the U.S. outperformed many U.S. indices over the period, reflecting stronger cyclical rebounds and valuation support in Europe and Asia.

In Europe and the UK, equities performed well overall, although the UK market's heavy energy weighting acted as a drag in some quarters even as domestic earnings remained supportive. The FTSE 100 delivered positive returns, albeit amid ongoing structural shifts in investor allocation preferences. Sector leadership evolved over the year: after years of tech dominance, traditional "real economy" sectors such as energy, materials and staples showed increasing strength, driven by commodity dynamics and inflation-protected earnings.

Monetary policy was a central theme. Major central banks largely paused rate hikes in 2025, with many adopting a data-dependent stance amid moderating inflation and slower economic growth. While policymakers in the U.S. held rates steady, markets priced in potential easing later in the year, which contributed to improved sentiment across risk assets.

Trade policy and geopolitical events added volatility. Periodic tariff threats and negotiations weighed on investor confidence at times, but temporary pauses and diplomatic progress helped alleviate deeper market disruptions. Geopolitical flashpoints briefly pushed safe-haven flows and commodity price swings, though these proved short-lived in many cases.

In terms of individual contributors over the year, the likes of Hermes Asia ex Japan, Brevan Howard Absolute Return and direct equities Autotrader and Prudential all saw gains of over 10%, whilst Property as an asset class was a drag on overall returns.

Performance versus ARC remains positive, with 2024 and 2025 in line with benchmarks and with returns of 123.7% since October 2011 (after fees and charges), ahead of the ARC Sterling Steady Growth Private Client Index benchmark up 119.71%.

Internal and external factors

There are many internal and external factors which will affect the future performance of the charity. The trustees meet regularly and conduct regular reviews to safeguard the charity.

FINANCIAL REVIEW

Financial position

The financial position of the charity as set out in the financial statements. The charity maintains a healthy cash balance to deal with any circumstances as they arise.

Principal funding sources and fundraising

The charity derives its income from three main sources;

- Legacies and donations.
- Investment returns from investment assets.
- Training income and sale of merchandise.

The amount of any legacies received in any year is outside the control of the charity and is purely dependant upon the generosity of the donors. Investment income is dependent upon general economic and investment market conditions whilst the provision of training and courses is dependent upon take-up.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2025

FINANCIAL REVIEW

Investment policy and objectives

The trustees have engaged Brooks MacDonald as investment managers who operate within guidelines agreed with the trustees. The trustees have asked the investment managers to consider social, environmental and ethical criteria when managing the portfolio. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of the demand for funds. The trustees consider the income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. This strategy is set within an overall policy to invest in medium risk investments with an aim of overall income and capital growth. The strategy is reviewed with the investment managers at each trustees meeting. The value of the investments is in line with the investment strategy which aims to provide gross income (including cash on deposit with investment manager) of some £27,000 per annum insofar as is compatible with the investment objective of a balanced return from income and capital growth.

Reserves policy

In order that the trustees can meet the aims set out above they need to be able to provide longer-term certainty to projects that are supported by the charity. It is for this reason that the trustee's reserves policy is to continue to accumulate funds so as to maintain investments to give an aim of annual investment income of some £27,000 towards grants continuing to be made.

The funds in the financial statements are defined as:

General Fund

This fund is unrestricted and is used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 30 June 2025 were £1,590,825 (2024: £1,590,236).

Restricted Fund: Wrightington Upper Limb Research

This fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery. The amount held in this fund as at 30 June 2025 was £28,921 (2024: £28,921).

Funds in deficit

There are no funds in deficit.

FUTURE PLANS

The trustees intend to carry on with the objectives and policies as they stand at present which in their opinion have led to both a successful management of resources and the furthering of medical knowledge.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The John Charnley Trust is an unincorporated charity, constituted under a trust deed dated 27 June 1983.

Recruitment and appointment of new trustees

The trustees who have served during the year are set out below and their appointment is based on their knowledge of the aims of the charity.

New trustees are recruited by contact with appropriately qualified individuals and appointed as required in line with the Charity's objectives. Appropriate induction and training will be given to any new trustees. The trustees generally meet twice a year, but a sub group meets more frequently to assess grant applications and then report to the full board of the Trustees.

Organisational structure and decision making

The management of the charity is vested in the trustees who meet at least twice a year to consider matters such as the performance of the investment portfolio and to decide both the value and recipients of grant expenditure.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs who are also trustees of the charity. The amounts paid are disclosed in the notes to the financial statements.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

326395

Principal address

28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Trustees

JC Faux FRCS (resigned 31/3/2026)
T Charnley BA
ML Porter FRCS Chairman
AC Ross MB FRCS
JP Hodgkinson FRCS
H Wynn Jones FRCS(Tr&Orth)
Professor AC Watts FRCS(Tr&Orth)
RW Parkinson FRCS(EdOrth)

Auditors

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Secretaries and Financial Advisers

McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Telephone 01772 299888
E-mail mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

Bankers

HSBC Bank plc.

Investment managers

Brooks MacDonald Asset Management, Manchester

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity does not hold any funds as a custodian.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those 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;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and The Charity (Accounts and Reports) Regulations 2008. 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 John Charnley Trust

Report of the Trustees for the year ended 30 June 2025

Approved by order of the board of trustees on 31 March 2026 and signed on its behalf by:

ML Porter FRCS - Trustee

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Opinion

We have audited the financial statements of The John Charnley Trust (the 'charity') for the year ended 30 June 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, 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.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

31 March 2026

The John Charnley Trust

Statement of Financial Activities for the year ended 30 June 2025

		Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	2,218	-	2,218	10,000
Charitable activities	5				
Education		44,126	-	44,126	44,752
Investment income	4	27,272	-	27,272	28,512
Total		73,616	-	73,616	83,264
EXPENDITURE ON					
Raising funds	6	14,309	-	14,309	13,500
Charitable activities	7				
Grants		64,283	-	64,283	82,467
Memorial Lecture		-	-	-	57
Education		16,950	-	16,950	32,596
Other		19,040	-	19,040	17,019
Total		114,582	-	114,582	145,639
Net gains on investments		41,555	-	41,555	154,531
NET INCOME		589	-	589	92,156
RECONCILIATION OF FUNDS					
Total funds brought forward		1,590,236	28,921	1,619,157	1,527,001
TOTAL FUNDS CARRIED FORWARD		1,590,825	28,921	1,619,746	1,619,157

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The John Charnley Trust

Balance Sheet 30 June 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Investments	13	1,572,626	-	1,572,626	1,560,436
CURRENT ASSETS					
Debtors	14	6,250	-	6,250	4,480
Cash at bank		43,674	28,921	72,595	94,648
		<u>49,924</u>	<u>28,921</u>	<u>78,845</u>	<u>99,128</u>
CREDITORS					
Amounts falling due within one year	15	(31,725)	-	(31,725)	(40,407)
NET CURRENT ASSETS		<u>18,199</u>	<u>28,921</u>	<u>47,120</u>	<u>58,721</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,590,825</u>	<u>28,921</u>	<u>1,619,746</u>	<u>1,619,157</u>
NET ASSETS		<u>1,590,825</u>	<u>28,921</u>	<u>1,619,746</u>	<u>1,619,157</u>
FUNDS	16				
Unrestricted funds				1,590,825	1,590,236
Restricted funds				28,921	28,921
TOTAL FUNDS				<u>1,619,746</u>	<u>1,619,157</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 31 March 2026 and were signed on its behalf by:

ML Porter FRCS - Trustee

The John Charnley Trust

Notes to the Financial Statements for the year ended 30 June 2025

1. GENERAL INFORMATION

The charity is a registered charity in England and Wales and is unincorporated. The address of the registered office and principal office is 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA.

The presentational currency of the financial statements is the Pound Sterling (£). The amounts in the financial statements have been rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The accounts 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (issued October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (effective from January 2019).

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements cover the Charity as an individual entity.

There are no material uncertainties about the Charity's ability to continue as a going concern. The balance of funds as at 30 June 2025 was £1,619,746, an increase of £589 in the financial year.

The Trustees concluded that the financial statements give a true and fair view.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

2. ACCOUNTING POLICIES - continued

Expenditure

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs comprise amounts for the running of the charity itself as an organisation.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Other donations and gifts	218	-
Legacies	2,000	10,000
	<u>2,218</u>	<u>10,000</u>

4. INVESTMENT INCOME

	2025	2024
	£	£
Dividends received	27,120	28,035
Interest received	152	477
	<u>27,272</u>	<u>28,512</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

5. INCOME FROM CHARITABLE ACTIVITIES

		2025	2024
	Activity	£	£
Training & course income	Education	43,524	43,682
Sale of books	Education	602	1,070
		<u>44,126</u>	<u>44,752</u>

6. RAISING FUNDS

Raising donations and legacies

	2025	2024
	£	£
Investment managers' fee	14,309	13,500
	<u>14,309</u>	<u>13,500</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 8)	Totals
	£	£	£
Grants	-	64,283	64,283
Education	12,050	4,900	16,950
	<u>12,050</u>	<u>69,183</u>	<u>81,233</u>

8. GRANTS PAYABLE

	2025	2024
	£	£
Grants	64,283	82,467
Education	4,900	7,440
	<u>69,183</u>	<u>89,907</u>

The total grants paid to institutions during the year was as follows:

	2025	2024
	£	£
WWL - Origin Study	4,200	2,800
WWL - Education and courses	26,179	26,925
WWL - Training	14,159	12,704
WWL - Research	14,369	14,204
	<u>58,907</u>	<u>56,633</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2025	2024
	£	£
S M Graham	-	8,000
K Malik-Tabassum - The Charnley Fellowship	-	2,000
M Clark - The Charnley Fellowship	-	728
S Madanipour - The Charnley Fellowship	-	3,750
M Zeiton - The Charnley Fellowship	-	6,800
Z Hamoodi - MD Studies	3,191	4,611
M Hague - The Charnley Fellowship	-	2,000
H Magill - The Charnley Fellowship	185	1,665
J Barrow - Future Leaders	-	3,720
J Lamb - Future Leaders	4,900	-
I Kennedy - The Charnley Fellowship	1,000	-
M Ammori - The Charnley Fellowship	1,000	-
	<u>10,276</u>	<u>33,274</u>

9. SUPPORT COSTS

	Information technology £	Governance costs £	Totals £
Other resources expended	<u>215</u>	<u>18,825</u>	<u>19,040</u>
Governance costs		2025	2024
		£	£
Auditors remuneration		4,800	4,800
Postage and stationery		832	159
Secretarial and support services		12,661	11,334
Paypal fees		532	518
		<u>18,825</u>	<u>16,811</u>

10. AUDITORS' REMUNERATION

	2025	2024
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>4,800</u>	<u>4,800</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2025 nor for the year ended 30 June 2024.

Trustees' expenses

Trustees' expenses amounting to £Nil (2024: £Nil) were reimbursed in the year.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	10,000	-	10,000
Charitable activities			
Education	44,752	-	44,752
Investment income	28,512	-	28,512
Total	<u>83,264</u>	<u>-</u>	<u>83,264</u>
EXPENDITURE ON			
Raising funds	13,500	-	13,500
Charitable activities			
Grants	82,467	-	82,467
Memorial Lecture	57	-	57
Education	32,596	-	32,596
Other	17,019	-	17,019
Total	<u>145,639</u>	<u>-</u>	<u>145,639</u>
Net gains on investments	<u>154,531</u>	<u>-</u>	<u>154,531</u>
NET INCOME	92,156	-	92,156
RECONCILIATION OF FUNDS			
Total funds brought forward	1,498,080	28,921	1,527,001
TOTAL FUNDS CARRIED FORWARD	<u><u>1,590,236</u></u>	<u><u>28,921</u></u>	<u><u>1,619,157</u></u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2024	1,560,436
Additions	217,907
Disposals	(253,464)
Revaluations	47,747
At 30 June 2025	1,572,626
NET BOOK VALUE	
At 30 June 2025	1,572,626
At 30 June 2024	1,560,436

The market value of investments at the end of the year is analysed as follows:

	2025 £	2024 £
UK Investments:		
Corporate bonds and preference shares	558,021	492,774
Ordinary shares	337,766	344,838
	895,787	837,612
Overseas investments:		
Investment/Unit Trusts	676,839	722,824
	1,572,626	1,560,436
Historical cost at end of year	1,290,035	1,279,379

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	6,250	4,480

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Accruals and deferred income	22,300	23,356
Grants payable	9,425	17,051
	<u>31,725</u>	<u>40,407</u>

16. MOVEMENT IN FUNDS

	At 1/7/24 £	Net movement in funds £	At 30/6/25 £
Unrestricted funds			
General fund	1,590,236	589	1,590,825
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
TOTAL FUNDS	<u>1,619,157</u>	<u>589</u>	<u>1,619,746</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	73,616	(114,582)	41,555	589
TOTAL FUNDS	<u>73,616</u>	<u>(114,582)</u>	<u>41,555</u>	<u>589</u>

Comparatives for movement in funds

	At 1/7/23 £	Net movement in funds £	At 30/6/24 £
Unrestricted funds			
General fund	1,482,461	107,775	1,590,236
Charnley Latta Fellowship	15,619	(15,619)	-
	<u>1,498,080</u>	<u>92,156</u>	<u>1,590,236</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
TOTAL FUNDS	<u>1,527,001</u>	<u>92,156</u>	<u>1,619,157</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2025

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	83,264	(124,085)	148,596	107,775
Charnley Latta Fellowship	-	(21,554)	5,935	(15,619)
	<u>83,264</u>	<u>(145,639)</u>	<u>154,531</u>	<u>92,156</u>
TOTAL FUNDS	<u>83,264</u>	<u>(145,639)</u>	<u>154,531</u>	<u>92,156</u>

The Wrightington Upper Limb Research fund is a restricted fund and the future planned use of this fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery.

The Charnley Latta Fellowship fund is a designated fund and the future planned use of this fund is for the promotion of research, education and training for or into reconstructive hip and knee surgery. The fund completed during the preceding year.

17. RELATED PARTY DISCLOSURES

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs, including Mr H Wynn Jones.

During the year payments amounting to £5,657 (2024: £6,933) have been made in respect of services provided by Mr H Wynn Jones.

18. COMMITMENTS

At 30 June 2025, the Trustees have approved the following grants to be paid in future years:

	2025 £	2024 £
Wrightington Wigan and Leigh NHS Trust	<u>24,534</u>	<u>43,410</u>

THE JOHN CHARNLEY TRUST

England & Wales - Charity number 326395

Accounts

The John Charnley Trust
Report of the Trustees and
Audited Financial Statements
for the Year Ended 30 June 2024

The John Charnley Trust

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The John Charnley Trust

Report of the Trustees for the year ended 30 June 2024

The trustees present their report with the financial statements of the charity for the year ended 30 June 2024.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object of the Charity is the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of Low Friction Arthroplasty of the hip and related areas of surgery.

The principal activities of the charity continue to be those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2024

OBJECTIVES AND ACTIVITIES

Significant activities

The objectives for the year were to continue the promotion of research, education and training in the field of orthopaedic surgery. In achieving these aims the charity was able to carry out the following;

The charity promoted education and training by creating The Charnley Latta Fellowship in 2010 from the gift of the late Mrs Doreen Latta, a patient who underwent reconstructive surgery at Wrightington Hospital and thereafter had over 30 years of pain-free walking and led a normal life.

Applications continue to be invited from committed orthopaedic surgeons for the unique opportunity to visit centres of excellence in reconstructive hip and knee surgery world-wide.

The charity promoted education by creating the Patient Information Centre at Wrightington. Due to redevelopment work at Wrightington Hospital the historical collection was largely placed in temporary storage although plans are being currently developed for a new site.

The Memorial Lecture was by Derek Bennett in February 2024 at the BOA in Belfast.

The charity promoted education and research by making grants including: -

SM Graham	On behalf of Malawi National Joint Register
Wrightington Wigan and Leigh NHS Trust	Research and education coordination by H Wynn Jones and T Board assisted by H Divecha and S Panchani,
Wrightington Wigan and Leigh NHS Trust	Origin Study by T Board
K Malik-Tabassum	The Charnley Latta Travelling Scholarship
M Clark	The Charnley Latta Travelling Scholarship
S Madanipour	The Charnley Latta Travelling Scholarship
M Zeiton	The Charnley Latta Travelling Scholarship
Z Hamoodi	MD Studies
M Hague	The Charnley Latta Travelling Scholarship
H Magill	The Charnley Latta Travelling Scholarship
J Barrow	Future Leaders Programme

The funding from the Charity facilitates the growth and development in Hip and Knee research and Lower Limb Education at Wrightington Hospital.

Research and Education activity continues to thrive with the help of funding and secretarial support from the Trust.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

The John Charnley Trust

Report of the Trustees **for the year ended 30 June 2024**

OBJECTIVES AND ACTIVITIES

Grantmaking

The charity receives applications for the funding of projects through its website and publications and applicants are invited to submit a summary of their proposals in a standard format. The applications are reviewed against specific criteria and research objectives. As a condition of the grant the charity requests a copy of the final report on each piece of research or fellowship. All research is made publicly available as soon as possible and all those supported refer to the financial assistance provided by the charity.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £Nil (2023: £1,280) and a legacy of £10,000 (2023: £Nil).

Education and Courses.

Courses held in 2023 and 2024 include:

Lower Limb FRCS Courses were held on January, March and September in the Wrightington Conference Centre organised by Sunil Panchani, Chris Whelton and Henry Wynn Jones.

Northwest Deanery Teaching was held on 13th October 2023 and organised by Chris Whelton.

The Northwest Periprosthetic Fracture Course was held on 22nd and 23rd November 2023 and organised by Henry Wynn Jones and Sunil Panchani.

VELYS Robotic-Assisted Solution Sawbone Workshop was held on 28th November 2023 and organised by Henry Wynn Jones.

The BHS Forum held in Glasgow was organised with Satish Kuty on 15th and 16th January 2024.

The Low Friction Society dinner was organised at the British Hip Society in Belfast by Chris Whelton on 29th February 2024.

The Northwest Regional Revision Knee Audit Meeting was held on 15th March 2024 in Manchester and organised by Anil Gambhir.

The Acetabular Revision Masterclass was held on 26th March 2024 organised by Henry Wynn Jones and Sunil Panchani.

The John Charnley Gold Medal Research Day was held in the Wrightington Conference Centre on 28th June 2024 organised by Henry Wynn Jones and Sunil Panchani.

The American Hip Society/ British Hip Society Travelling Fellows spent two days visiting Wrightington in September 2024 organised by Anil Gambhir.

BHS Principles of Hip Arthroplasty for ST3/4, organised by Chris Whelton, was held on 11th October 2024.

The Wrightington International Arthroplasty Meeting was held at Old Trafford Cricket Club on the 11th and 12th November 2024. This was a major international meeting with speakers from Europe and USA with video link organised by Henry Wynn Jones and Sunil Panchani.

Courses planned for 2025 include:

Lower Limb FRCS Viva Courses will be held in January, March, September 2025

BHS Hip Forum to be held at Wrightington on the 13th and 14th January 2025

Casting Course to be held in February 2025

Acetabular Revision Masterclass will be held on Friday 21st March 2025

John Charnley Gold Medal Research Day in June 2025

Northwest Deanery Teaching to be held in October

BHS Principles of Hip Arthroplasty for ST3/4 to be held in October 2025

Visitations/Electives

There have been many visitations/electives through 2023 and 2024 with further planned for 2025.

Research

Lower limb research activity has continued to progress.

In 2024 we published 7 papers on research relating to hip and knee arthroplasty, biomechanics and data analysis. Some highlights include output on wound closure in hip and knee arthroplasty, assessment of modern surgical helmets and influence of surgeon volume on outcome of revision hip replacement

Progress with a number of clinical studies is summarised below:

1. HAPI - NIHR portfolio. Completed recruitment and surgeries. In patient follow-up stage
2. ORIGIN - JCT/ Symbios joint funded. Recruitment finished and data capture complete. Data analysis ongoing.
3. RESULT-Hip - NIHR portfolio study in hip fracture surgery. Recruiting from Acute trauma site. Hiren Divecha has supported/ mentored the research development of an allied healthcare professional through the NIHR Associate PI Scheme (Amy Atkinson, Orthogeriatric Practitioner).

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

4. HIPPOY trial - NIHR portfolio trial. We received the green light for this study just recently and the first patient underwent surgery in early December 2024. This is a 3 arm RCT of cemented vs uncemented vs hybrid fixation in THR and requires over 7,000 patients. It has a 10 year follow up period and will be the largest trial ever completed in THR.

There have been multiple presentations at the British Hip Society, British Orthopaedic Association and the International Hip Society meetings.

We continue to support the Registrars and Fellows in their projects, running regular meetings (now face to face) which have also included meetings for practicing presentations in the lead up to a formal presentation at an Orthopaedic meeting.

Projects in development include a collaborative project with Edge Hill that is under development is planned for submission to the MRC in the new year. This project will be assessing functional outcome of total hip replacement using gait analysis and relating this to 3-dimensional reconstruction of hip biomechanics and other factors. The first application on this project was rejected but following positive feedback we have widened the team and rewritten the application. This will be submitted in January 2025. Following successful presentation of our experience of paediatric hip arthroplasty at the International Hip Society meeting we have submitted this work for publication. We are now working up a proposal to RfPB NIHR for a qualitative and health economic study on the impact of hip replacement in the paediatric population.

Investment performance

2024 proved to be a strong year for asset returns, with economic growth consistently surprising to the upside and many central banks beginning to walk interest rates down from the highs of late 2023. The US led the way, with the S&P500 index returning 25% over the year. Notably the lion's share of this performance was provided by the 'Magnificent 7' stocks, which were up 67% over the year.

Despite strong headline figures from several of the main global indices, 2024 was not as smooth as the figures might suggest. Rate cuts in the US, UK and Europe, whilst welcome, came far more reluctantly than many had hoped and indeed forecast at the outset of the year. Politically there were also a number of potential stumbling blocks, with significant elections in the UK and US, and the collapse of a French Government in early December followed closely by the collapse of the German government a couple of weeks later.

Slightly further back, there was a sharp global market sell off in August, triggered by weak economic data from the US coinciding with an unexpected interest rate hike from the Bank of Japan. This turmoil fortunately proved to be short lived.

It is likely however that 2024 will be remembered more for the global equity rally which followed Donald Trump's US election victory in November. The S&P500 recorded it's best month of the year, up 5.9%, and the Russell 2000 index of small cap US equities returned 11%. This momentum persisted for much of the latter part of the year, though notably a hawkish pivot by the FED in December dampened enthusiasm somewhat. The FED expects to make interest rate cuts amounting to 50 basis points over the course of 2025, significantly lower than previous forecasts. This news, coupled with fears surrounding the potential ramifications of the many tariffs Donald Trump has so far suggested, may prove to be a setback to global markets as they enter a new year.

In terms of top performers, a number of the UK stocks have performed strongly, namely Keyword and DS Smith which were bid for. US equities also positively contributed together with Tech which saw strong returns over the past year, with no significant contributors.

Performance versus ARC continues to be strong, with 2023 returns slightly ahead of the benchmark whilst 2024 has been slightly behind. Long term performance in absolute and relative terms continues to be positive, with the portfolio returning 120.58% since October 2011 (after fees and charges), ahead of the ARC Sterling Steady Growth benchmark up 117.17%.

Internal and external factors

There are many internal and external factors which will affect the future performance of the charity. The trustees meet regularly and conduct regular reviews to safeguard the charity.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

FINANCIAL REVIEW

Financial position

The financial position of the charity as set out in the financial statements. The charity maintains a healthy cash balance to deal with any circumstances as they arise.

Principal funding sources and fundraising

The charity derives its income from three main sources;

- Legacies and donations.
- Investment returns from investment assets.
- Training income and sale of merchandise.

The amount of any legacies received in any year is outside the control of the charity and is purely dependant upon the generosity of the donors. Investment income is dependent upon general economic and investment market conditions whilst the provision of training and courses is dependent upon take-up.

Investment policy and objectives

The trustees have engaged Brooks MacDonald as investment managers who operate within guidelines agreed with the trustees. The trustees have asked the investment managers to consider social, environmental and ethical criteria when managing the portfolio. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of the demand for funds. The trustees consider the income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. This strategy is set within an overall policy to invest in medium risk investments with an aim of overall income and capital growth. The strategy is reviewed with the investment managers at each trustees meeting. The value of the investments is in line with the investment strategy which aims to provide gross income (including cash on deposit with investment manager) of some £30,000 per annum insofar as is compatible with the investment objective of a balanced return from income and capital growth.

Reserves policy

In order that the trustees can meet the aims set out above they need to be able to provide longer-term certainty to projects that are supported by the charity. It is for this reason that the trustee's reserves policy is to continue to accumulate funds so as to maintain investments to give an aim of annual investment income of some £30,000 towards grants continuing to be made.

The funds in the financial statements are defined as:

General Fund and Charnley Latta Fellowship

This fund is unrestricted and is used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 30 June 2024 were £1,590,236. The Charley Latta Fellowship Fund completed during the year.

Restricted Fund: Wrightington Upper Limb Research

This fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery. The amount held in this fund as at 30 June 2024 was £28,921.

Funds in deficit

There are no funds in deficit.

FUTURE PLANS

The trustees intend to carry on with the objectives and policies as they stand at present which in their opinion have lead to both a successful management of resources and the furthering of medical knowledge.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The John Charnley Trust is an unincorporated charity, constituted under a trust deed dated 27 June 1983.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The trustees who have served during the year are set out below and their appointment is based on their knowledge of the aims of the charity.

New trustees are recruited by contact with appropriately qualified individuals and appointed as required in line with the Charity's objectives. Appropriate induction and training will be given to any new trustees. The trustees generally meet twice a year, but a sub group meets more frequently to assess grant applications and then report to the full board of the Trustees.

Organisational structure and decision making

The management of the charity is vested in the trustees who meet at least twice a year to consider matters such as the performance of the investment portfolio and to decide both the value and recipients of grant expenditure.

Related parties

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs who are also trustees of the charity. The amounts paid are disclosed in the notes to the financial statements.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

326395

Principal address

28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Trustees

JC Faux FRCS
T Charnley BA
I Paterson OBE TD FCIB (resigned 20/10/2023)
ML Porter FRCS Chairman
AC Ross MB FRCS
JP Hodgkinson FRCS
H Wynn Jones FRCS(Tr&Orth)
Professor AC Watts FRCS(Tr&Orth)
RW Parkinson FRCS(EdOrth)

Auditors

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Secretaries and Financial Advisers

McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Telephone 01772 299888
E-mail mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

Bankers

HSBC Bank plc.

Investment managers

Brooks MacDonald Asset Management, Manchester

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity does not hold any funds as a custodian.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 4 April 2025 and signed on its behalf by:

ML Porter FRCS - Trustee

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Opinion

We have audited the financial statements of The John Charnley Trust (the 'charity') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, 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.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

7 April 2025

The John Charnley Trust

Statement of Financial Activities for the year ended 30 June 2024

		Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	10,000	-	10,000	1,280
Charitable activities	5				
Education		44,752	-	44,752	56,280
Investment income	4	28,512	-	28,512	28,786
Total		83,264	-	83,264	86,346
EXPENDITURE ON					
Raising funds	6	13,500	-	13,500	10,755
Charitable activities	7				
Grants		82,467	-	82,467	60,186
Memorial Lecture		57	-	57	612
Education		32,596	-	32,596	27,468
Other		17,019	-	17,019	17,000
Total		145,639	-	145,639	116,021
Net gains on investments		154,531	-	154,531	20,969
NET INCOME/(EXPENDITURE)		92,156	-	92,156	(8,706)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,498,080	28,921	1,527,001	1,535,707
TOTAL FUNDS CARRIED FORWARD		1,590,236	28,921	1,619,157	1,527,001

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The John Charnley Trust

Balance Sheet 30 June 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Investments	13	1,560,436	-	1,560,436	1,410,504
CURRENT ASSETS					
Debtors	14	4,480	-	4,480	2,430
Cash at bank		65,727	28,921	94,648	132,554
		<u>70,207</u>	<u>28,921</u>	<u>99,128</u>	<u>134,984</u>
CREDITORS					
Amounts falling due within one year	15	(40,407)	-	(40,407)	(18,487)
NET CURRENT ASSETS		<u>29,800</u>	<u>28,921</u>	<u>58,721</u>	<u>116,497</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,590,236</u>	<u>28,921</u>	<u>1,619,157</u>	<u>1,527,001</u>
NET ASSETS		<u>1,590,236</u>	<u>28,921</u>	<u>1,619,157</u>	<u>1,527,001</u>
FUNDS	16				
Unrestricted funds				1,590,236	1,498,080
Restricted funds				28,921	28,921
TOTAL FUNDS				<u>1,619,157</u>	<u>1,527,001</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 4 April 2025 and were signed on its behalf by:

ML Porter FRCS - Trustee

The John Charnley Trust

Notes to the Financial Statements for the year ended 30 June 2024

1. GENERAL INFORMATION

The charity is a registered charity in England and Wales and is unincorporated. The address of the registered office and principal office is 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA.

The presentational currency of the financial statements is the Pound Sterling (£). The amounts in the financial statements have been rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The accounts 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (issued October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (effective from January 2019).

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements cover the Charity as an individual entity.

There are no material uncertainties about the Charity's ability to continue as a going concern. The balance of funds as at 30 June 2024 was £1,619,157, an increase of £92,156 in the financial year.

The Trustees concluded that the financial statements give a true and fair view.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Expenditure

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs comprise amounts for the running of the charity itself as an organisation.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Other donations and gifts	-	1,280
Legacies	10,000	-
	<u>10,000</u>	<u>1,280</u>

4. INVESTMENT INCOME

	2024	2023
	£	£
Dividends received	28,035	28,318
Interest received	477	468
	<u>28,512</u>	<u>28,786</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

5. INCOME FROM CHARITABLE ACTIVITIES

		2024	2023
	Activity	£	£
Training & course income	Education	43,682	55,180
Sale of books	Education	1,070	1,100
		<u>44,752</u>	<u>56,280</u>

6. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Investment managers' fee	13,500	10,755
	<u>13,500</u>	<u>10,755</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 8)	Totals
	£	£	£
Grants	-	82,467	82,467
Memorial Lecture	57	-	57
Education	25,156	7,440	32,596
	<u>25,213</u>	<u>89,907</u>	<u>115,120</u>

8. GRANTS PAYABLE

	2024	2023
	£	£
Grants	82,467	60,186
Education	7,440	2,900
	<u>89,907</u>	<u>63,086</u>

The total grants paid to institutions during the year was as follows:

	2024	2023
	£	£
WWL - Origin Study	2,800	4,200
WWL - Education and courses	26,925	17,696
WWL - Training	12,704	12,009
WWL - Research	14,204	13,760
	<u>56,633</u>	<u>47,665</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2024	2023
	£	£
S M Graham	8,000	8,000
Z Ahmand - Charnley Latta Travelling Scholarship	-	4,521
C Whelton - Future Leaders	-	2,900
K Malik-Tabassum - Charnley Latta Travelling Scholarship	2,000	-
M Clark - Charnley Latta Travelling Scholarship	728	-
S Madanipour - Charnley Latta Travelling Scholarship	3,750	-
M Zeiton - Charnley Latta Travelling Scholarship	6,800	-
Z Hamoodi - MD Studies	4,611	-
M Hague - Charnley Latta Travelling Scholarship	2,000	-
H Magill - Charnley Latta Travelling Scholarship	1,665	-
J Barrow - Future Leaders	3,720	-
	<u>33,274</u>	<u>15,421</u>

9. SUPPORT COSTS

	Information technology £	Governance costs £	Totals £
Other resources expended	<u>208</u>	<u>16,811</u>	<u>17,019</u>

Governance costs

	2024 £	2023 £
Auditors remuneration	4,800	2,500
Postage and stationery	159	197
Secretarial and support services	11,334	7,650
Paypal fees	518	491
	<u>16,811</u>	<u>10,838</u>

10. AUDITORS' REMUNERATION

	2024 £	2023 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>4,800</u>	<u>2,500</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2024 nor for the year ended 30 June 2023.

Trustees' expenses

Trustees' expenses amounting to £Nil (2023: £Nil) were reimbursed in the year.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,280	-	1,280
Charitable activities			
Education	56,280	-	56,280
Investment income	28,786	-	28,786
Total	<u>86,346</u>	<u>-</u>	<u>86,346</u>
EXPENDITURE ON			
Raising funds	10,755	-	10,755
Charitable activities			
Grants	60,186	-	60,186
Memorial Lecture	612	-	612
Education	27,468	-	27,468
Other	17,000	-	17,000
Total	<u>116,021</u>	<u>-</u>	<u>116,021</u>
Net gains on investments	<u>20,969</u>	<u>-</u>	<u>20,969</u>
NET INCOME/(EXPENDITURE)	(8,706)	-	(8,706)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,506,786	28,921	1,535,707
TOTAL FUNDS CARRIED FORWARD	<u><u>1,498,080</u></u>	<u><u>28,921</u></u>	<u><u>1,527,001</u></u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2023	1,410,504
Additions	223,111
Disposals	(217,490)
Revaluations	144,311
At 30 June 2024	1,560,436
NET BOOK VALUE	
At 30 June 2024	1,560,436
At 30 June 2023	1,410,504

The market value of investments at the end of the year is analysed as follows:

	2024 £	2023 £
UK Investments:		
Corporate bonds and preference shares	492,774	453,250
Ordinary shares	344,838	328,687
	837,612	781,938
Overseas investments:		
Investment/Unit Trusts	722,824	628,567
	1,560,436	1,410,504
Historical cost at end of year	1,279,379	1,286,446

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	4,480	2,430

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other creditors	-	4,599
Accruals and deferred income	23,356	4,800
Grants payable	17,051	9,088
	<u>40,407</u>	<u>18,487</u>

16. MOVEMENT IN FUNDS

	At 1/7/23 £	Net movement in funds £	At 30/6/24 £
Unrestricted funds			
General fund	1,482,461	107,775	1,590,236
Charnley Latta Fellowship	15,619	(15,619)	-
	<u>1,498,080</u>	<u>92,156</u>	<u>1,590,236</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,527,001</u>	<u>92,156</u>	<u>1,619,157</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	83,264	(124,085)	148,596	107,775
Charnley Latta Fellowship	-	(21,554)	5,935	(15,619)
	<u>83,264</u>	<u>(145,639)</u>	<u>154,531</u>	<u>92,156</u>
TOTAL FUNDS	<u>83,264</u>	<u>(145,639)</u>	<u>154,531</u>	<u>92,156</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/7/22 £	Net movement in funds £	At 30/6/23 £
Unrestricted funds			
General fund	1,487,773	(5,312)	1,482,461
Charnley Latta Fellowship	19,013	(3,394)	15,619
	<u>1,506,786</u>	<u>(8,706)</u>	<u>1,498,080</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,535,707</u>	<u>(8,706)</u>	<u>1,527,001</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	85,242	(111,500)	20,946	(5,312)
Charnley Latta Fellowship	1,104	(4,521)	23	(3,394)
	<u>86,346</u>	<u>(116,021)</u>	<u>20,969</u>	<u>(8,706)</u>
TOTAL FUNDS	<u>86,346</u>	<u>(116,021)</u>	<u>20,969</u>	<u>(8,706)</u>

The Wrightington Upper Limb Research fund is a restricted fund and the future planned use of this fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery.

The Charnley Latta Fellowship fund is a designated fund and the future planned use of this fund is for the promotion of research, education and training for or into reconstructive hip and knee surgery. The fund completed during the year.

17. RELATED PARTY DISCLOSURES

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs, including Mr H Wynn Jones.

During the year payments amounting to £6,933 (2023: £6,768) have been made in respect of services provided by Mr H Wynn Jones.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2024

18. COMMITMENTS

At 30 June 2024, the Trustees have approved the following grants to be paid in future years:

	2024	2023
	£	£
Wrightington Wigan and Leigh NHS Trust	43,410	42,750

There are no performance conditions for the grant to be paid, and the expenditure will be incurred in the nine month period from the year end to 31 March 2025.

	2024	2023
	£	£
S M Graham	-	8,000

There are no further amounts due to S M Graham.

THE JOHN CHARNLEY TRUST

England & Wales - Charity number 326395

Accounts

The John Charnley Trust
Report of the Trustees and
Audited Financial Statements
for the Year Ended 30 June 2023

The John Charnley Trust

Contents of the Financial Statements for the year ended 30 June 2023

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The John Charnley Trust

Report of the Trustees for the year ended 30 June 2023

The trustees present their report with the financial statements of the charity for the year ended 30 June 2023..

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object of the Charity is the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of Low Friction Arthroplasty of the hip and related areas of surgery.

The principal activities of the charity continue to be those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

Significant activities

The objectives for the year were to continue the promotion of research, education and training in the field of orthopaedic surgery. In achieving these aims the charity was able to carry out the following;

The charity promoted education and training by creating The Charnley Latta Fellowship in 2010 from the gift of the late Mrs Doreen Latta, a patient who underwent reconstructive surgery at Wrightington Hospital and thereafter had over 30 years of pain-free walking and led a normal life. Applications continue to be invited from committed orthopaedic surgeons for the unique opportunity to visit centres of excellence in reconstructive hip and knee surgery world-wide.

The charity promoted education by creating the Patient Information Centre at Wrightington. Due to redevelopment work at Wrightington Hospital the historical collection was largely placed in temporary storage although plans are being currently developed for a new site.

The Memorial Lecture was by Prof Klaus Siebenrock in March 2023 at the British Hip Society.

The charity promoted education and research by making grants including: -

SM Graham	On behalf of Malawi National Joint Register
Wrightington Wigan and Leigh NHS Trust	Research and education coordination by H Wynn Jones and T Board assisted by H Divecha and S Panchani,
Wrightington Wigan and Leigh NHS Trust	Origin Study by T Board
Z Ahmad	The Charnley Latta Travelling Scholarship
C Welton	BOA Future leaders programme

The funding from the Charity facilitates the growth and development in Hip and Knee research and Lower Limb Education at Wrightington Hospital.

Research and Education activity continues to thrive with the help of funding and secretarial support from the Trust.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2023

OBJECTIVES AND ACTIVITIES

Grantmaking

The charity receives applications for the funding of projects through its website and publications and applicants are invited to submit a summary of their proposals in a standard format. The applications are reviewed against specific criteria and research objectives. As a condition of the grant the charity requests a copy of the final report on each piece of research or fellowship. All research is made publicly available as soon as possible and all those supported refer to the financial assistance provided by the charity.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2023

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £1,280 (2022: £318).

Education and Courses.

Courses held in 2023 include:

Lower Limb FRCS Courses were held on January, March and September in the Wrightington Conference Centre organised by Henry Wynn Jones, Sunil Panchani and Chris Whelton.

The John Charnley Gold Medal Research Day was held in the Wrightington Conference Centre in June organised by Henry Wynn Jones and Sunil Panchani.

The American Hip Society/ British Hip Society Travelling Fellows spent two days visiting Wrightington in September 2022 organised by Henry Wynn Jones.

The ABC Fellows visited Wrightington in September 2022 organised by Henry Wynn Jones

The Low Friction Society meeting was organised in the Wrightington Conference Centre by Martyn Porter.

The Wrightington International Arthroplasty Meeting was held at Old Trafford Cricket Club in November 2022. This was a major international meeting with speakers from Europe and USA with video link organised by Adam Watts and Henry Wynn Jones.

The BHS Forum held in Cambridge was organised by Henry Wynn Jones in January 2023.

The Acetabular Revision Masterclass in March 2023 was organised by Henry Wynn Jones and Sunil Panchani.

The Northwest Regional Revision Knee Audit Meeting in March in Manchester was organised by Anil Gambhir.

Northwest Deanery Teaching was held in October and organised by Chris Whelton.

VELYS Robotic-Assisted Solution Sawbone Workshop was held in November and organised by Henry Wynn Jones

The Northwest Periprosthetic Fracture Course was held in November and organised by Henry Wynn Jones and Sunil Panchani.

Courses planned for 2024 include:

Lower Limb FRCS Viva Courses - January, March and September

BHS Hip Forum in Glasgow on 15 and 16 January 2024

Casting Course to be held on 10 February 2024

Acetabular Revision Masterclass on 26 March 2024

John Charnley Gold Medal Research Day on 28 June 2024

Northwest Deanery Teaching - October 2024

BHS Principles of Hip Arthroplasty for ST3/4 to be held on 11 October 2024

Wrightington International Arthroplasty Meeting - Hip and Knee, planned for November 2024

Visitations/Electives

There have been many visitations/electives through 2023 with further planned for 2024.

Research

Lower limb research activity has continued to progress.

In 2023 we published 16 papers on research relating to hip and knee arthroplasty, biomechanics and data analysis. Some highlights include ongoing output on mortality of revision for different indications, development of inertial tracking and magnetic field sensing system for in-vivo monitoring of hip joint range of movement and stability, analysis of gait after THR and exploring which patients with early osteoarthritis do well after THR (see appendix)

Progress with a number of clinical studies is summarised below:

1. HAPI - NIHR portfolio. Completed recruitment and surgeries. In patient follow-up stage
2. HipHOP - NIHR funded. Completed. Presented. Being written up for publication. Unfortunately our HTA grant applicant for the full RCT was rejected, mostly due to the fact that a group from Bristol had recently been awarded a program grant to do a very similar trial. We are now in collaboration with that group.
3. ORIGIN - JCT/ Symbios joint funded. Recruitment due to reopen
4. RESULT-Hip - NIHR portfolio study in hip fracture surgery. Recruiting from Acute trauma site.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2023

a. Hiren Divecha has supported/ mentored the research development of an allied healthcare professional through the NIHR Associate PI Scheme (Amy Atkinson, Orthogeriatric Practitioner).

We have completed a Priority Setting Partnership process with the James Lind Alliance, in collaboration with numerous individuals that included multidisciplinary healthcare professionals and patients who are/ have been involved in revision hip arthroplasty. The aim of this process was to generate a list of what the broader orthopaedic community and patients/ public felt were the top 10 key priorities in Revision Hip Arthroplasty. This process has been led by Tim Board, and was completed towards the end of 2023. The final priority list will be published in 2024, as well as appearing in the public domain on the James Lind Alliance website. We hope that the output from this lengthy process will support and enable high quality, prioritised research in this area for the benefit of the patients we treat in our healthcare system.

There have been multiple presentations at the British Hip Society and British Orthopaedic Association annual meetings.

We continue to support the Registrars and Fellows in their projects, running regular zoom meetings which have also included meetings for practicing presentations in the lead up to a formal presentation at an Orthopaedic meeting.

Projects in development include a recently submitted application to the NIHR Product Development funding stream in collaboration with Edge Hill and myrecovery.ai using their Deep Vision platform to assess range of movement of joints after surgery via a smartphone. A second collaborative project with Edge Hill that is under development is planned for submission to the MRC in the new year. This project will be assessing functional outcome of total hip replacement using gait analysis and relating this to 3 dimensional reconstruction of hip biomechanics and other factors.

Investment performance

The investment strategy is set with the aim to provide an overall income and capital growth within medium risk investments. Considering the uncertainty in the markets over this and recent years caused by both Covid19 and Brexit, the performance of the charity's portfolio in that period is not dissimilar to the movements experienced in the FTSE-100 index in the same period (7,531 at 30 June 2023, 7,169 at 30 June 2022, 7,037 at 30 June 2021 6,170 at 30 June 2020 and 7,426 June 2019).

Internal and external factors

There are many internal and external factors which will affect the future performance of the charity. The trustees meet regularly and conduct regular reviews to safeguard the charity.

At the time of writing this report we are still emerging from the Covid19 global pandemic which has brought unprecedented change to how people go about their daily lives. As discussed in "Investment Performance" there has been volatility in the UK, world economies, stock markets and there remains uncertainty over future investment growth, dividend income and bank interest. Our investment portfolio has suffered due to the uncertainty over the Covid 19 pandemic and its future performance will no doubt continue to be uncertain for some time. The continuing effects of Brexit and government budgetary constraints will also no doubt continue to affect how the charity is able to deliver its objectives.

FINANCIAL REVIEW

Financial position

The financial position of the charity as set out in the financial statements. The charity maintains a healthy cash balance to deal with any circumstances as they arise.

Principal funding sources and fundraising

The charity derives its income from three main sources;

- Legacies and donations.
- Investment returns from investment assets.
- Training income and sale of merchandise.

The amount of any legacies received in any year is outside the control of the charity and is purely dependant upon the generosity of the donors. Investment income is dependent upon general economic and investment market conditions whilst the provision of training and courses is dependent upon take-up which can be affected by, travel restrictions and face to face meetings.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2023

FINANCIAL REVIEW

Investment policy and objectives

The trustees have engaged Brooks MacDonald as investment managers who operate within guidelines agreed with the trustees. The trustees have asked the investment managers to consider social, environmental and ethical criteria when managing the portfolio. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of the demand for funds. The trustees consider the income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. This strategy is set within an overall policy to invest in medium risk investments with an aim of overall income and capital growth. The strategy is reviewed with the investment managers at each trustees meeting. The value of the investments is in line with the investment strategy which aims to provide gross income (including cash on deposit with investment manager) of a minimum of £30,000 per annum insofar as is compatible with the investment objective of a balanced return from income and capital growth.

Reserves policy

In order that the trustees can meet the aims set out above they need to be able to provide longer-term certainty to projects that are supported by the charity. It is for this reason that the trustee's reserves policy is to continue to accumulate funds so as to maintain investments to give an aim of annual investment income of at least £30,000 towards grants continuing to be made.

The funds in the financial statements are defined as:

General Fund and Charnley Latta Fellowship

This fund is unrestricted and is used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 30 June 2023 were £1,482,461 and £15,619 respectively.

Restricted Fund: Wrightington Upper Limb Research

This fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery. The amount held in this fund as at 30 June 2023 was £28,921.

Funds in deficit

There are no funds in deficit.

FUTURE PLANS

The trustees intend to carry on with the objectives and policies as they stand at present which in their opinion have lead to both a successful management of resources and the furthering of medical knowledge.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The John Charnley Trust is an unincorporated charity, constituted under a trust deed dated 27 June 1983.

Recruitment and appointment of new trustees

The trustees who have served during the year are set out below and their appointment is based on their knowledge of the aims of the charity.

New trustees are recruited by contact with appropriately qualified individuals and appointed as required in line with the Charity's objectives. Appropriate induction and training will be given to any new trustees. The trustees generally meet twice a year, but a sub group meets more frequently to assess grant applications and then report to the full board of the Trustees.

Organisational structure and decision making

The management of the charity is vested in the trustees who meet at least twice a year to consider matters such as the performance of the investment portfolio and to decide both the value and recipients of grant expenditure.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs who are also trustees of the charity. The amounts paid are disclosed in the notes to the financial statements.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

326395

Principal address

28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Trustees

JC Faux FRCS
T Charnley BA
I Paterson OBE TD FCIB (resigned 20/10/2023)
ML Porter FRCS Chairman
AC Ross MB FRCS
JP Hodgkinson FRCS
H Wynn Jones FRCS(Tr&Orth)
Professor AC Watts FRCS(Tr&Orth)
RW Parkinson FRCS(EdOrth)

Auditors

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Secretaries and Financial Advisers

McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Telephone 01772 299888
E-mail mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

Bankers

HSBC Bank plc.

Investment managers

Brooks MacDonald Asset Management, Manchester

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity does not hold any funds as a custodian.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 13 March 2024 and signed on its behalf by:

ML Porter FRCS - Trustee

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Opinion

We have audited the financial statements of The John Charnley Trust (the 'charity') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, 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.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

13 March 2024

The John Charnley Trust

Statement of Financial Activities for the year ended 30 June 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,280	-	1,280	318
Charitable activities	5				
Training		-	-	-	300
Education		56,280	-	56,280	31,060
Investment income	4	28,786	-	28,786	24,952
Total		86,346	-	86,346	56,630
EXPENDITURE ON					
Raising funds	6	10,755	-	10,755	14,597
Charitable activities	7				
Grants		60,186	-	60,186	70,981
Memorial Lecture		612	-	612	-
Training		-	-	-	2,744
Gold Medal Day		-	-	-	1,004
Education		27,468	-	27,468	2,547
Other		17,000	-	17,000	11,602
Total		116,021	-	116,021	103,475
Net gains/(losses) on investments		20,969	-	20,969	(190,409)
NET INCOME/(EXPENDITURE)		(8,706)	-	(8,706)	(237,254)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,506,786	28,921	1,535,707	1,772,961
TOTAL FUNDS CARRIED FORWARD		1,498,080	28,921	1,527,001	1,535,707

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

The John Charnley Trust

Balance Sheet

30 June 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Investments	13	1,410,504	-	1,410,504	1,419,212
CURRENT ASSETS					
Debtors	14	2,430	-	2,430	8,025
Cash at bank		103,633	28,921	132,554	131,285
		106,063	28,921	134,984	139,310
CREDITORS					
Amounts falling due within one year	15	(18,487)	-	(18,487)	(22,815)
NET CURRENT ASSETS		87,576	28,921	116,497	116,495
TOTAL ASSETS LESS CURRENT LIABILITIES		1,498,080	28,921	1,527,001	1,535,707
NET ASSETS		1,498,080	28,921	1,527,001	1,535,707
FUNDS	16				
Unrestricted funds				1,498,080	1,506,786
Restricted funds				28,921	28,921
TOTAL FUNDS				1,527,001	1,535,707

The financial statements were approved by the Board of Trustees and authorised for issue on 13 March 2024 and were signed on its behalf by:

ML Porter FRCS - Trustee

The notes form part of these financial statements

The John Charnley Trust

Notes to the Financial Statements for the year ended 30 June 2023

1. GENERAL INFORMATION

The charity is a registered charity in England and Wales and is unincorporated. The address of the registered office and principal office is 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA.

The presentational currency of the financial statements is the Pound Sterling (£). The amounts in the financial statements have been rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The accounts 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (issued October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (effective from January 2019).

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements cover the Charity as an individual entity.

There are no material uncertainties about the Charity's ability to continue as a going concern. The balance of funds as at 30 June 2023 was £1,527,001, a decrease of £8,706 in the financial year.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Expenditure

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs comprise amounts for the running of the charity itself as an organisation.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Other donations and gifts	<u>1,280</u>	<u>318</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Dividends received	28,318	24,941
Interest received	468	11
	<u>28,786</u>	<u>24,952</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

5. INCOME FROM CHARITABLE ACTIVITIES

		2023 £	2022 £
Training & course income	Activity Training	-	300
Training & course income	Education	55,180	29,898
Sale of books	Education	1,100	1,162
		<u>56,280</u>	<u>31,360</u>

6. RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Investment managers' fee	10,755	14,597
	<u>10,755</u>	<u>14,597</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 8) £	Totals £
Grants	-	60,186	60,186
Memorial Lecture	612	-	612
Education	24,568	2,900	27,468
	<u>25,180</u>	<u>63,086</u>	<u>88,266</u>

8. GRANTS PAYABLE

	2023 £	2022 £
Grants	60,186	70,981
Education	2,900	-
	<u>63,086</u>	<u>70,981</u>

The total grants paid to institutions during the year was as follows:

	2023 £	2022 £
Wrightington Wigan and Leigh NHS Trust	43,465	44,381
British Hip Society	-	10,000
WWL - Origin Study	4,200	5,600
	<u>47,665</u>	<u>59,981</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2023 £	2022 £
S M Graham	8,000	6,000
Z Ahmand - Charnley Latta Fellowship	4,521	5,000
C Welton - Future Leaders	2,900	-
	<u>15,421</u>	<u>11,000</u>

9. SUPPORT COSTS

	Information technology £	Governance costs £	Totals £
Other resources expended	<u>6,162</u>	<u>10,838</u>	<u>17,000</u>

Governance costs

	2023 £	2022 £
Auditors remuneration	2,500	3,000
Postage and stationery	197	12
Secretarial and support services	7,650	8,590
Paypal fees	491	-
	<u>10,838</u>	<u>11,602</u>

10. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>2,500</u>	<u>3,000</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

Trustees' expenses

Trustees' expenses amounting to £Nil (2022: £243) were reimbursed in the year. The expenses in the prior year were paid to two trustees. One trustee was reimbursed for computer software licences and another trustee was reimbursed for mileage expenses.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	318	-	318
Charitable activities			
Training	300	-	300
Education	31,060	-	31,060
Investment income	24,952	-	24,952
Total	<u>56,630</u>	<u>-</u>	<u>56,630</u>
EXPENDITURE ON			
Raising funds	14,597	-	14,597
Charitable activities			
Grants	70,981	-	70,981
Training	2,744	-	2,744
Gold Medal Day	1,004	-	1,004
Education	2,547	-	2,547
Other	11,602	-	11,602
Total	<u>103,475</u>	<u>-</u>	<u>103,475</u>
Net gains/(losses) on investments	<u>(190,409)</u>	<u>-</u>	<u>(190,409)</u>
NET INCOME/(EXPENDITURE)	<u>(237,254)</u>	<u>-</u>	<u>(237,254)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	1,744,040	28,921	1,772,961
TOTAL FUNDS CARRIED FORWARD	<u><u>1,506,786</u></u>	<u><u>28,921</u></u>	<u><u>1,535,707</u></u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2022	1,419,212
Additions	246,229
Disposals	(264,280)
Revaluations	9,343
At 30 June 2023	1,410,504
NET BOOK VALUE	
At 30 June 2023	1,410,504
At 30 June 2022	1,419,212

The market value of investments at the end of the year is analysed as follows:

	2023 £	2022 £
UK Investments:		
Corporate bonds and preference shares	453,250	458,920
Ordinary shares	328,687	345,924
	781,938	804,844
Overseas investments:		
Investment/Unit Trusts	628,567	614,368
	1,410,504	1,419,212
Historical cost at end of year	1,286,446	1,352,382

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	2,430	1,350
VAT	-	3,239
Prepayments	-	3,436
	2,430	8,025

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
VAT	4,599	-
Accruals and deferred income	4,800	12,900
Grants payable	9,088	9,915
	<u>18,487</u>	<u>22,815</u>

16. MOVEMENT IN FUNDS

	At 1/7/22 £	Net movement in funds £	At 30/6/23 £
Unrestricted funds			
General fund	1,487,773	(5,312)	1,482,461
Charnley Latta Fellowship	19,013	(3,394)	15,619
	<u>1,506,786</u>	<u>(8,706)</u>	<u>1,498,080</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,535,707</u>	<u>(8,706)</u>	<u>1,527,001</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	85,242	(111,500)	20,946	(5,312)
Charnley Latta Fellowship	1,104	(4,521)	23	(3,394)
	<u>86,346</u>	<u>(116,021)</u>	<u>20,969</u>	<u>(8,706)</u>
TOTAL FUNDS	<u>86,346</u>	<u>(116,021)</u>	<u>20,969</u>	<u>(8,706)</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/7/21 £	Net movement in funds £	At 30/6/22 £
Unrestricted funds			
General fund	1,717,329	(229,556)	1,487,773
Charnley Latta Fellowship	26,711	(7,698)	19,013
	<u>1,744,040</u>	<u>(237,254)</u>	<u>1,506,786</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,772,961</u>	<u>(237,254)</u>	<u>1,535,707</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	56,630	(98,475)	(187,711)	(229,556)
Charnley Latta Fellowship	-	(5,000)	(2,698)	(7,698)
	<u>56,630</u>	<u>(103,475)</u>	<u>(190,409)</u>	<u>(237,254)</u>
TOTAL FUNDS	<u>56,630</u>	<u>(103,475)</u>	<u>(190,409)</u>	<u>(237,254)</u>

The Wrightington Upper Limb Research fund is a restricted fund and the future planned use of this fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery.

The Charnley Latta Fellowship fund is a designated fund and the future planned use of this fund is for the promotion of research, education and training for or into reconstructive hip and knee surgery.

17. RELATED PARTY DISCLOSURES

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs, including Mr H Wynn Jones.

During the year payments amounting to £6,768 (2022: £6,552) have been made in respect of services provided by Mr H Wynn Jones.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2023

18. COMMITMENTS

At 30 June 2023, the Trustees have approved the following grants to be paid in future years:

	2023	2022
	£	£
Wrightington Wigan and Leigh NHS Trust	<u>42,750</u>	<u>29,746</u>

There are no performance conditions for the grant to be paid, and the expenditure will be incurred in the nine month period from the year end to 31 March 2024.

	2023	2022
	£	£
S M Graham	<u>8,000</u>	<u>8,000</u>

There are no performance conditions for the grant to be paid and the expenditure will be incurred in the 12 month period from the year end to 30 June 2024.

THE JOHN CHARNLEY TRUST

England & Wales - Charity number 326395

Accounts

The John Charnley Trust
Report of the Trustees and
Audited Financial Statements
for the Year Ended 30 June 2022

The John Charnley Trust

Contents of the Financial Statements for the year ended 30 June 2022

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The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

The trustees present their report with the financial statements of the charity for the year ended 30 June 2022.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object of the Charity is the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of Low Friction Arthroplasty of the hip and related areas of surgery.

The principal activities of the charity continue to be those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

Significant activities

The objectives for the year were to continue the promotion of research, education and training in the field of orthopaedic surgery. In achieving these aims the charity was able to carry out the following;

The charity promoted education and training by creating The Charnley Latta Fellowship in 2010 from the gift of the late Mrs Doreen Latta, a patient who underwent reconstructive surgery at Wrightington Hospital and thereafter had over 30 years of pain-free walking and led a normal life. Applications continue to be invited from committed orthopaedic surgeons for the unique opportunity to visit centres of excellence in reconstructive hip and knee surgery world-wide.

The charity promoted education by creating the Patient Information Centre at Wrightington. Due to redevelopment work at Wrightington Hospital the historical collection was largely placed in temporary storage although plans are being currently developed for a new site.

The Memorial Lecture was by Dr Thorsten Gehrke MD at the British Hip Society in March 2022.

The charity promoted education and research by making grants including: -

SM Graham	On behalf of Malawi National Joint Register
Wrightington Wigan and Leigh NHS Trust	Research and education coordination by H Wynn Jones and T Board assisted by H Divecha and S Panchani,
Wrightington Wigan and Leigh NHS Trust	Origin Study by T Board
Zafar Ahmad	The Charnley Latta Travelling Scholarship
British Hip Society	BHS Problematic Hip Replacement Priority Setting Partnership with James Lind Alliance

The funding from the Charity facilitates the growth and development in Hip and Knee research and Lower Limb Education at Wrightington Hospital.

Research and Education activity continues to thrive with the help of funding and secretarial support from the Trust.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

OBJECTIVES AND ACTIVITIES

Grantmaking

The charity receives applications for the funding of projects through its website and publications and applicants are invited to submit a summary of their proposals in a standard format. The applications are reviewed against specific criteria and research objectives. As a condition of the grant the charity requests a copy of the final report on each piece of research or fellowship. All research is made publicly available as soon as possible and all those supported refer to the financial assistance provided by the charity.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £318 (2021: £200).

Education and Courses.

Courses held in 2022 included:

Lower Limb FRCS Viva Courses were held on Zoom in January and March and face to face meetings recommenced in September organised by Henry Wynn Jones and Sunil Panchani.

The Acetabular Revision Masterclass was held in March organised by Henry Wynn Jones and Sunil Panchani.

The John Charnley Gold Medal Research Day was held at the Wrightington Hotel in June organised by Henry Wynn Jones and Sunil Panchani.

BHS/AHS Visiting Fellows spent two days visiting Wrightington in September organised by Henry Wynn Jones

ABC Travelling Fellows visited in September organised by Henry Wynn Jones.

Casting Course was held in the Conference Centre organised by two consultants and three International Training Fellows was held in October.

Low Friction Society Meeting was organised by Martyn Porter. The meeting was recorded and this will soon be available to view.

The Wrightington International Arthroplasty Meeting was held at Old Trafford Cricket Club. This was a major international meeting with speakers from Europe and the USA with video link organised by Adam Watts and Henry Wynn Jones.

BHS Hip Forum held in Cambridge was organised by Henry Wynn Jones and held in January 2023

Courses planned for 2023 include:

Lower Limb FRCS Viva Courses January, March, September

Acetabular Revision Masterclass - March

John Charnley Gold Medal Research Day - June

North West Periprosthetic Fracture Course - November 2023

Wrightington International Arthroplasty Meeting - Hip and Knee - November 2024

Visitations/Electives

There have been many visitations/electives throughout 2022 and some planned for 2023.

Research

The lower limb research activity has continued to grow.

Progress with a number of clinical studies is summarised below:

1. HAPI - NIHR portfolio. Completed recruitment and surgeries. In patient followup stage
2. HipHOP - NIHR funded. Completed. Presented. Being written up for publication
3. ORIGIN - JCT/ Symbios joint funded. completed recruitment and surgeries. In patient followup stage.

There have been multiple presentations at the British Hip Society and British Orthopaedic Association annual meetings.

We continue to support the Registrars and Fellows in their projects, running regular zoom meetings which have also included meetings for practicing presentations in the lead up to a formal presentation at an Orthopaedic meeting.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

In 2022 we have published 11 papers in PubMed index journals. A few highlighted publications include Tim Board's work looking at the influence on clinical frailty on the outcomes of hip and knee replacement, and Hiren Divecha's MPhil research work, featured as an invited "in-depth" review published in the 19th NJR Annual Report (2022).

In terms of project development, we are currently finalising an NIHR HTA funding application for HipHOP-2, building on the success and outputs from HipHOP. This will be for a national, multi-centre trial aiming to answer which type of hip replacement prosthesis is most cost-effective in patients over 70yrs. We have also been approached by Symbios to be a post-market surveillance centre for their custom knee replacement prosthesis, already the focus of our ORIGIN study mentioned above.

Investment performance

The investment strategy is set with the aim to provide an overall income and capital growth within medium risk investments. Considering the uncertainty in the markets over this and recent years caused by both Covid19 and Brexit, the performance of the charity's portfolio in that period is not dissimilar to the movements experienced in the FTSE-100 index in the same period (7,169 at 30 June 2022, 7,034 at 30 June 2021 6,170 at 30 June 2020, 7,426 June 2019 and 7,637 June 2018).

Internal and external factors

There are many internal and external factors which will affect the future performance of the charity. The trustees meet regularly and conduct regular reviews to safeguard the charity.

At the time of writing this report we are still emerging from the Covid19 global pandemic which has brought unprecedented change to how people go about their daily lives. As discussed in "Investment Performance" there has been volatility in the UK, world economies, stock markets and there remains uncertainty over future investment growth, dividend income and bank interest. Our investment portfolio has suffered due to the uncertainty over the Covid 19 pandemic and its future performance will no doubt continue to be uncertain for some time. The continuing effects of Brexit and government budgetary constraints will also no doubt continue to affect how the charity is able to deliver its objectives.

FINANCIAL REVIEW

Financial position

The financial position of the charity as set out in the financial statements. In summary, over the previous five years to 2019 the net assets of the charity grew steadily from some £0.9m to some £1m in part through changes to the market value of investments. In the last two years the net assets have increased by £0.5 m to £1.5m primarily due to the very large legacy received in these years. The charity maintains a healthy cash balance to deal with any circumstances as they arise.

Principal funding sources and fundraising

The charity derives its' income from three main sources;

- Legacies and donations.
- Investment returns from investment assets.
- Training income and sale of merchandise.

The amount of any legacies received in any year is outside the control of the charity and is purely dependant upon the generosity of the donors. Investment income is dependent upon general economic and investment market conditions whilst the provision of training and courses is dependent upon take-up which can be affected by, travel restrictions and face to face meetings.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

FINANCIAL REVIEW

Investment policy and objectives

The trustees have engaged Brooks MacDonald as investment managers who operate within guidelines agreed with the trustees. The trustees have asked the investment managers to consider social, environmental and ethical criteria when managing the portfolio. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of the demand for funds. The trustees consider the income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. This strategy is set within an overall policy to invest in medium risk investments with an aim of overall income and capital growth. The strategy is reviewed with the investment managers at each trustees meeting. The value of the investments is in line with the investment strategy which aims to provide gross income (including cash on deposit with investment manager) of a minimum of £30,000 per annum insofar as is compatible with the investment objective of a balanced return from income and capital growth.

Reserves policy

In order that the trustees can meet the aims set out above they need to be able to provide longer-term certainty to projects that are supported by the charity. It is for this reason that the trustee's reserves policy is to continue to accumulate funds so as to maintain investments to give an aim of annual investment income of at least £30,000 towards grants continuing to be made.

The funds in the financial statements are defined as:

General Fund and Charnley Latta Fellowship

This fund is unrestricted and is used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 30 June 2022 were £1,487,773 and £19,013 respectively.

Restricted Fund: Wrightington Upper Limb Research

This fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery. The amount held in this fund as at 30 June 2022 was £28,921.

Funds in deficit

There are no funds in deficit.

FUTURE PLANS

The trustees intend to carry on with the objectives and policies as they stand at present which in their opinion have lead to both a successful management of resources and the furthering of medical knowledge.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The John Charnley Trust is an unincorporated charity, constituted under a trust deed dated 27 June 1983.

Recruitment and appointment of new trustees

The trustees who have served during the year are set out below and their appointment is based on their knowledge of the aims of the charity.

New trustees are recruited and appointed as required in line with the Charity's objectives. Appropriate induction and training will be given to any new trustees. The trustees generally meet twice a year, but a sub group meets more frequently to assess grant applications and then report to the full board of the Trustees.

Organisational structure and decision making

The management of the charity is vested in the trustees who meet at least twice a year to consider matters such as the performance of the investment portfolio and to decide both the value and recipients of grant expenditure.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs who are also trustees of the charity. The amounts paid are disclosed in the notes to the financial statements.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

326395

Principal address

28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Trustees

JC Faux FRCS
T Charnley BA
I Paterson OBE TD FCIB
ML Porter FRCS Chairman
AC Ross MB FRCS
JP Hodgkinson FRCS
H Wynn Jones FRCS(Tr&Orth)
Professor AC Watts FRCS(Tr&Orth)
RW Parkinson FRCS(EdOrth)

Auditors

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Secretaries and Financial Advisers

McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Telephone 01772 299888
E-mail mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

Bankers

HSBC Bank plc.

Investment managers

Brooks MacDonald Asset Management, Manchester

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity does not hold any funds as a custodian.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 18 April 2023 and signed on its behalf by:

ML Porter FRCS - Trustee

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Opinion

We have audited the financial statements of The John Charnley Trust (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, 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.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

27 April 2023

The John Charnley Trust

Statement of Financial Activities for the year ended 30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	318	-	318	60,917
Charitable activities	5				
Training		300	-	300	1,839
Education		31,060	-	31,060	439
Investment income	4	24,952	-	24,952	23,641
Total		56,630	-	56,630	86,836
EXPENDITURE ON					
Raising funds	6	14,597	-	14,597	13,821
Charitable activities	7				
Grants		70,981	-	70,981	51,064
Memorial Lecture		-	-	-	453
Training		2,744	-	2,744	1,443
Gold Medal Day		1,004	-	1,004	600
Education		2,547	-	2,547	427
Other		11,602	-	11,602	14,566
Total		103,475	-	103,475	82,374
Net gains/(losses) on investments		(190,409)	-	(190,409)	241,867
NET INCOME/(EXPENDITURE)		(237,254)	-	(237,254)	246,329
RECONCILIATION OF FUNDS					
Total funds brought forward		1,744,040	28,921	1,772,961	1,526,632
TOTAL FUNDS CARRIED FORWARD		1,506,786	28,921	1,535,707	1,772,961

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The John Charnley Trust

Balance Sheet 30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Investments	13	1,419,212	-	1,419,212	1,629,989
CURRENT ASSETS					
Debtors	14	8,025	-	8,025	393
Cash at bank		102,364	28,921	131,285	155,855
		110,389	28,921	139,310	156,248
CREDITORS					
Amounts falling due within one year	15	(22,815)	-	(22,815)	(13,276)
NET CURRENT ASSETS		87,574	28,921	116,495	142,972
TOTAL ASSETS LESS CURRENT LIABILITIES		1,506,786	28,921	1,535,707	1,772,961
NET ASSETS		1,506,786	28,921	1,535,707	1,772,961
FUNDS	16				
Unrestricted funds				1,506,786	1,744,040
Restricted funds				28,921	28,921
TOTAL FUNDS				1,535,707	1,772,961

The financial statements were approved by the Board of Trustees and authorised for issue on 18 April 2023 and were signed on its behalf by:

ML Porter FRCS - Trustee

The John Charnley Trust

Notes to the Financial Statements for the year ended 30 June 2022

1. GENERAL INFORMATION

The charity is a registered charity in England and Wales and is unincorporated. The address of the registered office and principal office is 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA.

The presentational currency of the financial statements is the Pound Sterling (£). The amounts in the financial statements have been rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 United Kingdom and Republic of Ireland (FRS 102) (effective January 2015)', the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (issued on 16 July 2014) 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 have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements cover the Charity as an individual entity.

There are no material uncertainties about the Charity's ability to continue as a going concern. The balance of funds as at 30 June 2022 was £1,535,707, an decrease of £237,254 in the financial year.

The presentational currency of the financial statements is the Pound Sterling (£).

The amounts in the financial statements have been rounded to the nearest £1.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs comprise amounts for the running of the charity itself as an organisation.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Other donations and gifts	318	200
Legacies	-	60,717
	<u>318</u>	<u>60,917</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

4. INVESTMENT INCOME

	2022	2021
	£	£
Dividends received	24,941	23,636
Interest received	11	5
	<u>24,952</u>	<u>23,641</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Training & course income	Training	300	1,839
Training & course income	Education	29,898	-
Sale of books	Education	1,162	439
		<u>31,360</u>	<u>2,278</u>

6. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Investment managers' fee	14,597	13,821

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 8)	Totals
	£	£	£
Grants	-	70,981	70,981
Training	2,744	-	2,744
Gold Medal Day	1,004	-	1,004
Education	2,547	-	2,547
	<u>6,295</u>	<u>70,981</u>	<u>77,276</u>

8. GRANTS PAYABLE

	2022	2021
	£	£
Grants	70,981	51,064

The total grants paid to institutions during the year was as follows:

	2022	2021
	£	£
Wrightington Wigan and Leigh NHS Trust	44,381	47,064
British Hip Society	10,000	-
WWL - Origin Study	5,600	-
	<u>59,981</u>	<u>47,064</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

8. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2022	2021
	£	£
S M Graham	6,000	4,000
Z Ahmand - Charnley Latta Fellowship	5,000	-
	<u>11,000</u>	<u>4,000</u>

9. SUPPORT COSTS

		Governance costs
		£
Other resources expended		<u>11,602</u>

	2022	2021
	£	£
Governance Costs		
Auditor's remuneration	3,000	2,400
Postage and stationery	12	12
Secretarial support services	<u>8,590</u>	<u>12,154</u>
	<u>11,602</u>	<u>14,566</u>

10. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>3,000</u>	<u>2,400</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

Trustees' expenses amounting to £243 (2021: £558) were reimbursed in the year. These expenses were paid to two trustees. One trustee was reimbursed for computer software and another trustee was reimbursed for mileage expenses. The expenses in the prior year were paid to two trustees. One trustee was reimbursed for computer software licences and another trustee was reimbursed for sundry expenses paid for on behalf of the Charity.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	60,917	-	60,917
Charitable activities			
Training	1,839	-	1,839
Education	439	-	439
Investment income	23,641	-	23,641
Total	86,836	-	86,836
EXPENDITURE ON			
Raising funds	13,821	-	13,821
Charitable activities			
Grants	51,064	-	51,064
Memorial Lecture	453	-	453
Training	1,443	-	1,443
Gold Medal Day	600	-	600
Education	427	-	427
Other	14,566	-	14,566
Total	82,374	-	82,374
Net gains on investments	241,867	-	241,867
NET INCOME	246,329	-	246,329
RECONCILIATION OF FUNDS			
Total funds brought forward	1,497,711	28,921	1,526,632
TOTAL FUNDS CARRIED FORWARD	1,744,040	28,921	1,772,961

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2021	1,629,989
Additions	359,502
Disposals	(386,238)
Revaluations	(184,041)
At 30 June 2022	1,419,212
NET BOOK VALUE	
At 30 June 2022	1,419,212
At 30 June 2021	1,629,989

The market value of investments at the end of the year is analysed as follows:

	2022 £	2021 £
UK Investments:		
Corporate bonds and preference shares	458,920	455,596
Ordinary shares	345,924	477,718
	804,844	503,314
Overseas investments:		
Investment/Unit Trusts	614,368	696,675
	1,419,212	1,629,989
Historical cost at end of year	1,352,382	1,218,580

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	1,350	-
VAT	3,239	-
Prepayments	3,436	393
	8,025	393

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Accruals and deferred income	12,900	11,544
Grants payable	9,915	1,732
	<u>22,815</u>	<u>13,276</u>

16. MOVEMENT IN FUNDS

	At 1/7/21 £	Net movement in funds £	At 30/6/22 £
Unrestricted funds			
General fund	1,717,329	(229,556)	1,487,773
Charnley Latta Fellowship	26,711	(7,698)	19,013
	<u>1,744,040</u>	<u>(237,254)</u>	<u>1,506,786</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,772,961</u>	<u>(237,254)</u>	<u>1,535,707</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	56,630	(98,475)	(187,711)	(229,556)
Charnley Latta Fellowship	-	(5,000)	(2,698)	(7,698)
	<u>56,630</u>	<u>(103,475)</u>	<u>(190,409)</u>	<u>(237,254)</u>
TOTAL FUNDS	<u>56,630</u>	<u>(103,475)</u>	<u>(190,409)</u>	<u>(237,254)</u>

Comparatives for movement in funds

	At 1/7/20 £	Net movement in funds £	At 30/6/21 £
Unrestricted funds			
General fund	1,474,148	243,181	1,717,329
Charnley Latta Fellowship	23,563	3,148	26,711
	<u>1,497,711</u>	<u>246,329</u>	<u>1,744,040</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,526,632</u>	<u>246,329</u>	<u>1,772,961</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2022

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	86,836	(82,374)	238,719	243,181
Charnley Latta Fellowship	-	-	3,148	3,148
	<u>86,836</u>	<u>(82,374)</u>	<u>241,867</u>	<u>246,329</u>
TOTAL FUNDS	<u>86,836</u>	<u>(82,374)</u>	<u>241,867</u>	<u>246,329</u>

The Wrightington Upper Limb Research fund is a restricted fund and the future planned use of this fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery.

The Charnley Latta Fellowship fund is a designated fund and the future planned use of this fund is for the promotion of research, education and training for or into reconstructive hip and knee surgery.

17. RELATED PARTY DISCLOSURES

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs, including Mr H Wynn Jones.

During the year payments amounting to £6,552 (2021: £6,097) have been made in respect of services provided by Mr H Wynn Jones.

18. COMMITMENTS

At 30 June 2022, the Trustees have approved the following grants to be paid in future years:

	2022 £	2021 £
Wrightington Wigan and Leigh NHS Trust	<u>29,746</u>	<u>29,769</u>

There are no performance conditions for the grant to be paid, and the expenditure will be incurred in the nine month period from the year end to 31 March 2023.

	2022 £	2021 £
S M Graham	<u>8,000</u>	<u>6,000</u>

There are no performance conditions for the grant to be paid and the expenditure will be incurred in the 12 month period from the year end to 30 June 2023.

THE JOHN CHARNLEY TRUST

England & Wales - Charity number 326395

Accounts

The John Charnley Trust
Report of the Trustees and
Audited Financial Statements
for the Year Ended 30 June 2021

The John Charnley Trust

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The John Charnley Trust

Report of the Trustees for the year ended 30 June 2021

The trustees present their report with the financial statements of the charity for the year ended 30 June 2021.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

OBJECTIVES AND ACTIVITIES

Objectives and activities

The object of the Charity is the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of Low Friction Arthroplasty of the hip and related areas of surgery.

The principal activities of the charity continue to be those of funding research in the field of joint replacement, research fellowships, and lectures, conferences and seminars to further the technique of Low Friction Arthroplasty.

Significant activities

The objectives for the year were to continue the promotion of research, education and training in the field of orthopaedic surgery. In achieving these aims the charity was able to carry out the following;

The charity promoted education and training by creating The Charnley Latta Fellowship in 2010 from the gift of the late Mrs Doreen Latta, a patient who underwent reconstructive surgery at Wrightington Hospital and thereafter had over 30 years of pain-free walking and led a normal life. Applications continue to be invited from committed orthopaedic surgeons for the unique opportunity to visit centres of excellence in reconstructive hip and knee surgery world-wide.

The charity promoted education by creating the Patient Information Centre at Wrightington. Due to redevelopment work at Wrightington Hospital the historical collection was largely placed in temporary storage although plans are being currently developed for a new site.

The Memorial Lecture was given online by Prof Peter Kay FRCS at the British Hip Society in June 2021, which was delayed from the previous year due to the pandemic.

The charity promoted research by making grants including: -

SM Graham	On behalf of Malawi National Joint Register.
Wrightington Wigan and Leigh NHS Trust	Research and education coordination by H Wynn Jones and T Board.assisted by H Divecha and S Panchani.

The funding from the Charity facilitates the growth and development in Hip and Knee research and Lower Limb Education at Wrightington Hospital.

Research and Education activity continues to thrive with the help of funding and secretarial support from the Trust.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

Grantmaking

The charity receives applications for the funding of projects through its website and publications and applicants are invited to submit a summary of their proposals in a standard format. The applications are reviewed against specific criteria and research objectives. As a condition of the grant the charity requests a copy of the final report on each piece of research or fellowship. All research is made publicly available as soon as possible and all those supported refer to the financial assistance provided by the charity.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2021

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

The trustees are pleased to record their appreciation of the receipt in the year of general donations of £200 (2020: £1,187). During the year the charity received the balance of the legacy of £60,717 from the late Mrs B Vance. Mrs Vance was the first cousin once removed of the late Sir John Charnley and the second cousin of Trustee Tristram Charnley.

There are no restrictions on the legacy and the amounts will be invaluable in carrying out the objectives of the Charity for many years to come. The amount received from the late Mrs B Vance was the largest legacy ever received by the Charity and £500,000 of this was transferred to the investment portfolio on 31 January 2020.

Teaching and Training

As the Covid pandemic continued in 2021 we continued to support Orthopaedic education online both locally and in collaboration with the deanery trainees and also nationally to provide exam revision training.

The educational and teaching delivered has been beneficial and met the objectives of the charity and enabled it to continue its purpose throughout the pandemic.

Regional North West Deanery Viva Practice coordination with online weekly teaching - 40 half day sessions per year.

Wrightington weekly revision teaching online April to July 2021 - 14 half day sessions.

Wrightington Hip Module - online teaching - September to October 2021 - 4 online sessions.

Wrightington Lower Limb MDT and NW Regional Revision Hip and Revision Knee MDT meetings are each held on a weekly basis.

Education and Courses.

Courses held in 2021 included:

Lower Limb FRCS Viva and Clinical Examination Courses held in January, May and October 2021 on Zoom organised by Henry Wynn Jones and Sunil Panchani.

Combined meeting of the Wrightington Gold Medal Research Day and Low Friction Society Meeting held on Zoom on 17 June 2021 - Course organisers Henry Wynn Jones and Sunil Panchani.

Acetabular Revision Masterclass held on 17 March 2022 - Course organisers Henry Wynn Jones and Sunil Panchani.

Visitations and Medical Elective placements are now being arranged for 2022.

Courses planned for 2022 include:

The Wrightington International Arthroplasty Meeting Manchester 2022 is being arranged for 22 and 23 November 2022 to be held at the Lancashire Cricket Club. This is a major international meeting with speakers from Europe and via video link from the USA.

Lower Limb FRCS Viva and Clinical Examination Courses to be held in January, March, and September 2022 with an additional course in July as the Royal College has added a course to their schedule.

Wrightington Gold Medal Research Day and Low Friction Society - Course organisers Henry Wynn Jones and Sunil Panchani - 17 June 2022

Femoral Revision Masterclass - Course organisers Henry Wynn Jones and Sunil Panchani - date to be confirmed

Visitations and Medical Elective placements are now being arranged for 2022.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2021

Wrightington Lower Limb MDT and NW Regional Revision Hip and Revision Knee MDT meetings are each held on a weekly basis.

Research

The lower limb research activity within the department has continued to grow with the support of The John Charnley Trust.

Despite the pandemic we were able to complete recruitment to our HipHOP feasibility RCT and are now working on a funding application for the full trial which will go to HTA. A number of other prospective portfolio studies are ongoing.

We continue to support the registrars and fellows in their projects, running regular zoom meetings. We have had good success with multiple presentations at national meetings including the British Hip Society and the British Orthopaedic Association as well as international meetings.

In 2021 we have published 14 papers in pubmed index journals. One highlight of the publications was the Attune RCT which was published in the JBJS American.

Through my John Charnley Trust supported research time, Hiren Divecha has achieved the following in 2021:

1. Completion of thesis and award of MPhil degree (University of Manchester).
2. Thesis has been presented internationally and nationally, and 2 publications in the BJJ.
3. Been asked to prepare an "in-depth review" on these publications for the NJR Annual Report .
4. Successful appointment to the NIHR Research Scholars Programme.

Investment performance

The investment strategy is set with the aim to provide an overall income and capital growth within low to medium risk investments. Considering the uncertainty in the markets over this and recent years caused by both Covid19 and Brexit, the performance of the charity's portfolio in that period is not dissimilar to the movements experienced in the FTSE-100 index in the same period (7,034 at 30 June 2021 6,170 at 30 June 2020, 7,426 June 2019, 7,637 June 2018, 7,313 June 2017).

Internal and external factors

There are many internal and external factors which will affect the future performance of the charity. The trustees meet regularly and conduct regular reviews to safeguard the charity.

At the time of writing this report we are emerging from the Covid19 global pandemic which has brought unprecedented change to how people go about their daily lives. As discussed in "Investment Performance" there has been volatility in the UK, world economies, stock markets and there remains uncertainty over future investment growth, dividend income and bank interest. Our investment portfolio has suffered due to the uncertainty over the current Covid 19 pandemic and its future performance will no doubt continue for be uncertain for some time. The continuing effects of Brexit and government budgetary constraints will also no doubt continue to affect how the charity is able to deliver its objectives.

FINANCIAL REVIEW

Financial position

The financial position of the charity as set out in the financial statements. In summary, over the previous five years to 2019 the net assets of the charity grew steadily from some £0.8m to some £1m in part through changes to the market value of investments. In the last two years the net assets have increased by £0.8 m to £1.8m primarily due to the very large legacy received in these years. The charity maintains a healthy cash balance to deal with any circumstances as they arise.

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2021

FINANCIAL REVIEW

Principal funding sources and fundraising

The charity derives its income from three main sources;

- Legacies and donations.
- Investment returns from investment assets.
- Training income and sale of merchandise.

The amount of any legacies received in any year is outside the control of the charity and is purely dependant upon the generosity of the donors. Investment income is dependent upon general economic and investment market conditions whilst the provision of training and courses is dependent upon take-up which can be affected by, at present, travel restrictions and face to face meetings.

Investment policy and objectives

The trustees have engaged Brooks MacDonald as investment managers who operate within guidelines agreed with the trustees. The trustees have asked the investment managers to consider social, environmental and ethical criteria when managing the portfolio. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of the demand for funds. The trustees consider the income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. This strategy is set within an overall policy to invest in low and medium risk investments with an aim of overall income and capital growth. The strategy is reviewed with the investment managers at each trustees meeting. The value of the investments is in line with the investment strategy which aims to provide gross income (including cash on deposit with investment manager) of a minimum of £30,000 per annum insofar as is compatible with the investment objective of a balanced return from income and capital growth.

Reserves policy

In order that the trustees can meet the aims set out above they need to be able to provide longer-term certainty to projects that are supported by the charity. It is for this reason that the trustee's reserves policy is to continue to accumulate funds so as to maintain investments to give an aim of annual investment income of at least £30,000 towards grants continuing to be made.

The funds in the financial statements are defined as:

General Fund and Charnley Latta Fellowship

This fund is unrestricted and is used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 30 June 2021 were £1,717,329 and £26,711 respectively.

Restricted Fund: Wrightington Upper Limb Research

This fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery. The amount held in this fund as at 30 June 2021 was £28,921.

Funds in deficit

There are no funds in deficit.

FUTURE PLANS

The trustees intend to carry on with the objectives and policies as they stand at present which in their opinion have lead to both a successful management of resources and the furthering of medical knowledge.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The John Charnley Trust is an unincorporated charity, constituted under a trust deed dated 27 June 1983.

The John Charnley Trust

Report of the Trustees

for the year ended 30 June 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The trustees who have served during the year are set out below and their appointment is based on their knowledge of the aims of the charity.

New trustees are recruited and appointed as required in line with the Charity's objectives. Appropriate induction and training will be given to any new trustees. The trustees generally meet twice a year, but a sub group meets more frequently to assess grant applications and then report to the full board of the Trustees.

Organisational structure and decision making

The management of the charity is vested in the trustees who meet at least twice a year to consider matters such as the performance of the investment portfolio and to decide both the value and recipients of grant expenditure.

Related parties

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs who are also trustees of the charity. The amounts paid are disclosed in the notes to the financial statements.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

326395

Principal address

28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Trustees

JC Faux FRCS Chairman
T Charnley BA
I Paterson OBE TD FCIB
ML Porter FRCS
AC Ross MB FRCS
JP Hodgkinson FRCS
H Wynn Jones FRCS(Tr&Orth)
Professor AC Watts FRCS(Tr&Orth)
RW Parkinson FRCS(EdOrth)

Auditors

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

The John Charnley Trust

Report of the Trustees for the year ended 30 June 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Secretaries and Financial Advisers

McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Telephone 01772 299888
Fax 01772 451000
E-mail mail@mcmillanaccountants.com

Website www.johncharnleytrust.org

Bankers

HSBC Bank plc, Leyland.

Investment managers

Brooks MacDonald Asset Management, Manchester

FUNDS HELD AS CUSTODIAN FOR OTHERS

The charity does not hold any funds as a custodian.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 25 April 2022 and signed on its behalf by:

JC Faux FRCS - Trustee

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Opinion

We have audited the financial statements of The John Charnley Trust (the 'charity') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, 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.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of The John Charnley Trust

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A I Cherry Limited
Chartered Accountants and
Statutory Auditors
26 Winckley Square
Preston
PR1 3JJ

26 April 2022

The John Charnley Trust

Statement of Financial Activities for the year ended 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	60,917	-	60,917	546,718
Charitable activities	4				
Training		1,839	-	1,839	36,560
Education		439	-	439	1,819
Investment income	3	23,641	-	23,641	18,684
Total		86,836	-	86,836	603,781
EXPENDITURE ON					
Raising funds	5	13,821	-	13,821	9,194
Charitable activities	6				
Grants		51,064	-	51,064	61,495
Memorial Lecture		453	-	453	1,847
Training		1,443	-	1,443	18,036
Gold Medal Day		600	-	600	300
Education		427	-	427	2,025
Other		14,566	-	14,566	11,898
Total		82,374	-	82,374	104,795
Net gains on investments		241,867	-	241,867	49,163
NET INCOME		246,329	-	246,329	548,149
RECONCILIATION OF FUNDS					
Total funds brought forward		1,497,711	28,921	1,526,632	978,483
TOTAL FUNDS CARRIED FORWARD		1,744,040	28,921	1,772,961	1,526,632

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The John Charnley Trust

Balance Sheet 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Investments	12	1,629,989	-	1,629,989	1,388,486
CURRENT ASSETS					
Debtors	13	393	-	393	1,820
Cash at bank		126,934	28,921	155,855	150,260
		127,327	28,921	156,248	152,080
CREDITORS					
Amounts falling due within one year	14	(13,276)	-	(13,276)	(13,934)
NET CURRENT ASSETS		114,051	28,921	142,972	138,146
TOTAL ASSETS LESS CURRENT LIABILITIES		1,744,040	28,921	1,772,961	1,526,632
NET ASSETS		1,744,040	28,921	1,772,961	1,526,632
FUNDS	15				
Unrestricted funds				1,744,040	1,497,711
Restricted funds				28,921	28,921
TOTAL FUNDS				1,772,961	1,526,632

The financial statements were approved by the Board of Trustees and authorised for issue on 25 April 2022 and were signed on its behalf by:

JC Faux FRCS - Trustee

The John Charnley Trust

Notes to the Financial Statements for the year ended 30 June 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 United Kingdom and Republic of Ireland (FRS 102) (effective January 2015)', the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (issued on 16 July 2014) 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 have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements cover the Charity as an individual entity.

There are no material uncertainties about the Charity's ability to continue as a going concern. The balance of funds as at 30 June 2021 was £1,772,961, an increase of £246,329 achieved in the financial year.

The presentational currency of the financial statements is the Pound Sterling (£).

The amounts in the financial statements have been rounded to the nearest £1.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs comprise amounts for the running of the charity itself as an organisation.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Other donations and gifts	200	1,187
Legacies	60,717	545,531
	<u>60,917</u>	<u>546,718</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Dividends received	23,636	18,605
Interest received	5	79
	<u>23,641</u>	<u>18,684</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

4. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Training & course income	Training	1,839	36,560
Sale of books	Education	439	1,819
		<u>2,278</u>	<u>38,379</u>

5. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Investment managers' fee	<u>13,821</u>	<u>9,194</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 7)	Totals
	£	£	£
Grants	-	51,064	51,064
Memorial Lecture	453	-	453
Training	1,443	-	1,443
Gold Medal Day	600	-	600
Education	427	-	427
	<u>2,923</u>	<u>51,064</u>	<u>53,987</u>

7. GRANTS PAYABLE

	2021	2020
	£	£
Grants	<u>51,064</u>	<u>61,495</u>

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Wrightington Wigan and Leigh NHS Trust	47,064	43,329
University of Leeds	-	4,375
	<u>47,064</u>	<u>47,704</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

7. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	2021	2020
	£	£
S M Graham	4,000	8,000
Dr Matar	-	5,000
R Yassa	-	651
D Wright	-	70
J Armstrong	-	70
	<u>4,000</u>	<u>13,791</u>

8. SUPPORT COSTS

	Governance costs
	£
Other resources expended	<u>14,566</u>

Governance Costs	2021	2020
	£	£
Auditor's remuneration	2,400	1,200
Postage and stationery	12	92
Secretarial support services	<u>12,154</u>	<u>10,606</u>
	<u>14,566</u>	<u>11,898</u>

9. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>2,400</u>	<u>1,200</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Trustees' expenses

Trustees' expenses amounting to £558 (2020: £432) were reimbursed in the year. These expenses were paid to two trustees. One trustee was reimbursed for computer software licences and another trustee was reimbursed for sundry expenses paid on behalf of the Charity. The expenses in the prior year were paid to two trustees. One trustee was reimbursed for computer hardware and some computer software licences and another trustee was reimbursed for room hire paid for on behalf of the Charity.

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	546,718	-	546,718
Charitable activities			
Training	36,560	-	36,560
Education	1,819	-	1,819
Investment income	18,684	-	18,684
Total	603,781	-	603,781
EXPENDITURE ON			
Raising funds	9,194	-	9,194
Charitable activities			
Grants	61,495	-	61,495
Memorial Lecture	1,847	-	1,847
Training	18,036	-	18,036
Gold Medal Day	300	-	300
Education	2,025	-	2,025
Other	11,898	-	11,898
Total	104,795	-	104,795
Net gains on investments	49,163	-	49,163
NET INCOME	548,149	-	548,149
RECONCILIATION OF FUNDS			
Total funds brought forward	949,562	28,921	978,483
TOTAL FUNDS CARRIED FORWARD	1,497,711	28,921	1,526,632

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2020	1,388,486
Additions	145,904
Disposals	(140,861)
Revaluations	236,460
At 30 June 2021	1,629,989
NET BOOK VALUE	
At 30 June 2021	1,629,989
At 30 June 2020	1,388,486

The market value of investments at the end of the year is analysed as follows:

	2021 £	2020 £
UK Investments:		
Corporate bonds and preference shares	455,596	448,111
Ordinary shares	477,718	365,610
	503,314	813,721
Overseas investments:		
Investment/Unit Trusts	696,675	574,765
	1,629,989	1,388,486
Historical cost at end of year	1,218,580	1,180,286

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	-	1,600
Prepayments	393	220
	393	1,820

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals and deferred income	11,544	10,344
Grants payable	1,732	3,590
	<u>13,276</u>	<u>13,934</u>

15. MOVEMENT IN FUNDS

	At 1/7/20 £	Net movement in funds £	At 30/6/21 £
Unrestricted funds			
General fund	1,474,148	243,181	1,717,329
Charnley Latta Fellowship	23,563	3,148	26,711
	<u>1,497,711</u>	<u>246,329</u>	<u>1,744,040</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>1,526,632</u>	<u>246,329</u>	<u>1,772,961</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	86,836	(82,374)	238,719	243,181
Charnley Latta Fellowship	-	-	3,148	3,148
	<u>86,836</u>	<u>(82,374)</u>	<u>241,867</u>	<u>246,329</u>
TOTAL FUNDS	<u>86,836</u>	<u>(82,374)</u>	<u>241,867</u>	<u>246,329</u>

Comparatives for movement in funds

	At 1/7/19 £	Net movement in funds £	At 30/6/20 £
Unrestricted funds			
General fund	914,360	559,788	1,474,148
Charnley Latta Fellowship	35,202	(11,639)	23,563
	<u>949,562</u>	<u>548,149</u>	<u>1,497,711</u>
Restricted funds			
Wrightington Upper Limb Research	28,921	-	28,921
	<u>28,921</u>	<u>-</u>	<u>28,921</u>
TOTAL FUNDS	<u>978,483</u>	<u>548,149</u>	<u>1,526,632</u>

The John Charnley Trust

Notes to the Financial Statements - continued for the year ended 30 June 2021

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	603,394	(99,144)	55,538	559,788
Charnley Latta Fellowship	387	(5,651)	(6,375)	(11,639)
	<u>603,781</u>	<u>(104,795)</u>	<u>49,163</u>	<u>548,149</u>
TOTAL FUNDS	<u>603,781</u>	<u>(104,795)</u>	<u>49,163</u>	<u>548,149</u>

The Wrightington Upper Limb Research fund is a restricted fund and the future planned use of this fund is for the promotion of research, education and training for or into the relief of pain, suffering and disability arising out of or associated with joints of the human skeleton and in particular (but without prejudice to the generality of the foregoing) in the field of upper limb arthroplasty and related areas of surgery.

The Charnley Latta Fellowship fund is a designated fund and the future planned use of this fund is for the promotion of research, education and training for or into reconstructive hip and knee surgery.

16. RELATED PARTY DISCLOSURES

The charity has paid Wrightington Wigan and Leigh NHS Trust for the part time services of various consultants that it employs, including Mr H Wynn Jones.

During the year payments amounting to £6,097 (2020: £6,252) have been paid to Mr H Wynn Jones in respect of services provided.

17. COMMITMENTS

At 30 June 2021, the Trustees have approved the following grants to be paid in future years:

	2021 £	2020 £
Wrightington Wigan and Leigh NHS Trust	<u>26,769</u>	<u>32,314</u>

There are no performance conditions for the grant to be paid, and the expenditure will be incurred in the nine month period from the year end to 31 March 2022.

	£	£
S M Graham	<u>6,000</u>	<u>8,000</u>

There are no performance conditions for the grant to be paid and the expenditure will be incurred in the 12 month period from the year end to 30 June 2022.