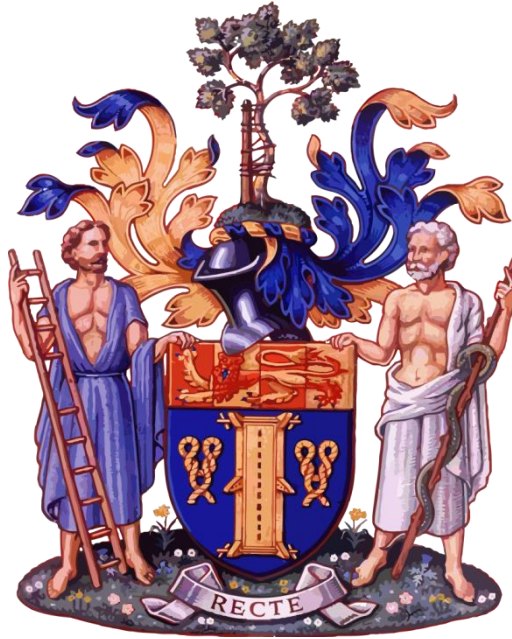


BRITISH ORTHOPAEDIC ASSOCIATION

(FOUNDED 1918)

PATRON: HRH THE PRINCE OF WALES



Annual Report & Accounts

As at 31 December 2013

**35-43 LINCOLN'S INN FIELDS,
LONDON WC2A 3PE
Registered Charity No: 1066994**

Company limited by guarantee. Company Registration No. 3482958 (England and Wales). Registered Office Address as above.

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Fax: 020 7831 2676
www.boa.ac.uk**

About Us

The BOA is the Surgical Specialty Association for Trauma and Orthopaedics in the UK. We provide national leadership, a unifying focus, and charitable endeavour by:

- Caring for Patients
- Supporting Surgeons
- Transforming Lives

As a charity we care for patients by raising funds for and promoting research into musculoskeletal disorders. We also operate a benevolent fund to support our members in time of need. Details of our governance can be found in Annex 1.

As a membership organisation we care for patients and support surgeons by focusing on excellence in:

- Professional Practice
- Training and Education
- Research

The Coat of Arms of the British Orthopaedic Association, shown on the front cover, was granted by the King of Arms. The supporters represent Hippocrates holding a ladder from which a rung has been re-moved as it usually was removed in the treatment for dislocations of the shoulder so that the patient would not break his neck whilst Aesculapius is holding his healing staff. The ladder and scamnum were used to reduce fractures and dis-locations up to two centuries ago. The tree is copied from Andry's 'Orthopaedia', probably the first published volume on the prevention and correction of deformity and represents the plane tree beneath which Hippocrates stood at Cos to teach his disciples. The motto "Recte" can be translated not only as 'straightly', but also uprightly - befitting, proper and good.

The emblem, the tree of Andry, is now also incorporated in the Presidential badges of our fellow associations in the United States, Canada, Australia, New Zealand and South Africa, with an American eagle, a maple leaf, a spray of wattle, a kowhai flower and a giant protea, respectively.

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Overview

Achieving our Vision

Our vision is a vibrant, sustainable, representative orthopaedic community delivering high quality, effective care to fully informed patients. We seek to achieve this by ensuring that the Government's Health Care commissioning reforms take full account of the need for properly resourced and accessible musculoskeletal services. This is important given the UK's demographics and the fact that musculoskeletal disorders account for annual expenditure of some £5bn: trauma and orthopaedic practitioners really can transform our patients' lives.

Our purpose

We can only deliver on the vision by providing clear national leadership for the trauma and orthopaedic surgical community that is responsible for over one million operations each year in England and Wales alone. That means engaging our patients, offering real value to our members and Specialist Societies, making our charitable work count – especially in the field of research. It also means that we must ensure our voice is heard at the most influential levels in Government, Whitehall, the NHS, and industry. That entails focused advocacy and the clearest possible communication of our core messages. It also entails close working with our partners across the broader musculoskeletal alliance.

Our mission and strategy

Our mission, therefore, is to advance for the public benefit the practice, art and science of orthopaedic surgery. To do this we have designed a strategy focused on our core objectives of excellence in professional practice, training and education, and research. For each core objective we have developed delivery plans for the short, medium and longer terms. Our Council reviews progress throughout the year.

Public benefit from our work

Our principal concern is to ensure that patients under our care receive high quality treatment. In order to achieve this we must support trauma and orthopaedic surgeons throughout their careers. We do this in a number of ways, based on the core objectives highlighted above.

Presidents' Report

2013 stands out for the sheer volume and diversity of BOA activity. Due in the main to our earlier strategy development work and continuing investment in staff we were well placed to deal with a very broad spectrum of issues.

The year launched with the Government's intention to publish individual consultant surgeons' outcome data across England. For trauma and orthopaedics (T&O) this related to hip and knee joint replacements. We welcomed this initiative aimed at informing patient choice and improving quality, and recognised the BOA's leadership role in its delivery. With over a million operations recorded on the National Joint Registry (NJR), in close collaboration with our Specialist Societies (the British Hip Society and the British Association for Surgery of the Knee) and colleagues in the NJR, we were able to support T&O Consultants through the consenting and publication process in time to meet the 30 June deadline. We will expand future coverage to include other areas of orthopaedic surgery.

In parallel, we contributed to the development and delivery of the inaugural national process for selection into higher T&O surgical training. Our role here was to provide a constructive, qualitative critique aimed at reinforcing the effectiveness of trainee selection. Following the initial success we look forward to contributing to further continuous improvement of the process.

In the early Spring, having submitted a business case to the Department of Health, we received funding from NHS England to launch the Getting It Right First Time (GIRFT) programme. Each Trust in NHS England receives a unique dataset and analysis of their elective orthopaedic and related activity in advance of a visit by a small team led by the current BOA President. The team meets with the senior Trust clinicians and managers to discuss the analysis and suggest potential courses of action to deal with any untoward trends. Common themes are already apparent and these will inform a report in Summer 2014 to the Secretary of State for Health and NHS England. The report will recommend changes to the national delivery of orthopaedic services aimed at improving further the quality of care for patients while yielding financial efficiencies. It will also reinforce the importance of clinical leadership, drawing on a related programme of BOA educational work developed throughout 2013.

Two further initiatives stemmed from GIRFT:

- The Chavasse Report produced in collaboration with the Surgeon General and aimed at enhancing, under the auspices of the Armed Forces Covenant, the orthopaedic care for and rehabilitation of injured service personnel, reservists and veterans. Following extensive development work throughout 2013, Chavasse was launched in mid 2014.
- An international focus on the impending global 'avalanche' of orthopaedics. We will host a high level consensus conference during our combined Congress with the European Federation of Orthopaedics and Traumatology (EFORT) in June 2014 as a precursor to an international summit, potentially in 2015.

During the first half of 2013 we welcomed and gave our full support to the newly fledged Orthopaedic Trauma Society (OTS). This important development provides a much needed professional focus on a key area of our clinical practise and complements the broader multi-disciplinary interests of the British Trauma Society. This period also witnessed the launch of our new Journal of Trauma and Orthopaedics (JTO). Fresh, innovative, well received and supported by advertising revenues, JTO is distributed to all T&O surgeons throughout the UK and concentrates on professional matters. It provides a perfect fit with the scientific coverage of its sister Bone and Joint Journal.

Returning briefly to training and education matters, in summer 2013 we finalised the simulation component of the revised T&O training curriculum, published last August, and took the opportunity to launch a free BOA curriculum app which has been well received by our trainees.

The autumn saw a further intensification of our work. In early October we ran the best attended (over 2000 delegates) BOA Congress ever in the Birmingham ICC. With a theme of 'Putting Evidence into Action', the quality of the programme was highly acclaimed, and we are indebted to our Specialist Societies and other key contributors for the excellence of their work. This was quickly followed by the launch of five innovative and important BOA commissioning guidance documents produced jointly with the NHS England Right Care team and RCS England; a ground-breaking meeting of our Patient Liaison Group with Private Medical Insurers to explore benchmarks for and standards of orthopaedic care; proactive support to our members in Wales (facing unusually severe NHS winter pressures measures) and Northern Ireland (contending with a novel and contentious commissioning process); a redirection of Joint Action research funding away from small projects to support a major grant application infrastructure; and the conclusion of organisational development work to create Council member portfolios, work more effectively with our Specialist Societies and transform our regional focus.

Last but by no means least, we concluded the year in close collaboration with the Centre for Workforce Intelligence, using horizon scanning and a sophisticated Delphi exercise to take stock of the T&O workforce that will be required to meet patients' needs out to 2028. This is important because it will determine the size of the higher surgical training intake over the next 15 years. The stocktake remains a work in progress as the baseline assumptions are reviewed to take account of the latest evidence emerging from GIRFT.

Finally, we cannot close without paying tribute to the clinicians and lay people who volunteer their time to support our work by contributing as members of Council and our supporting committees, and our representatives on various external boards and committees. Their contribution and dedication are enormous as evidenced in Annex 1. We also acknowledge with gratitude the hard work of the BOA staff whose skills and advice are an increasingly powerful asset to the membership.

This report has hardly scratched the surface of our 2013 activity. There is much more on our website which we encourage you to visit at www.boa.ac.uk.



Mr Martyn Porter
Immediate Past President



Professor Tim Briggs
President

Chief Executive's Report – Risks and Achievements

2013 was action packed. My task as CEO is to balance finite resources through effective risk management so that the BOA achieves its planned objectives. Throughout 2013 our focus was on increasing value through significant innovation, process improvement and implementation. The BOA staff rose to the challenge, fully justifying our continuing investment in talent. In addition to routine business, we worked on objectives in 7 principal areas to yield 30 key achievements:

Objectives and risks	Achievements
<p><u>Membership:</u> Sustain and grow the BOA membership by enhancing our value offer and reputation.</p> <p>Key risk: losing members as a consequence of recessionary pressures in the economy and perceptions of reduced clinical relevance.</p>	<p>We introduced:</p> <ul style="list-style-type: none"> • Periodic subscription payments by direct debit and a user friendly online Congress registration system. • A fast track membership application process in tandem with an innovative combined membership and Congress registration offer. • A suite of new membership benefits. • And attracted 153 new members.
<p><u>Communication and Engagement:</u> Communicate the work of the BOA and orthopaedic surgeons effectively to our members and wider audiences.</p> <p>Key risk: failing to engage our membership sufficiently and losing essential visibility as a consequence.</p>	<p>We:</p> <ul style="list-style-type: none"> • Successfully launched the Journal of Trauma and Orthopaedics, funded by advertising revenues, to wide acclaim. • Transformed the look and feel of our Presidential and staff communications to the membership. • Invested in a new Marketing and Communications Officer.
<p><u>Charitable Endeavour:</u> Improve our Fellowship awards system.</p> <p>Key risk: loss of external funding from benefactors and industry.</p>	<p>We:</p> <ul style="list-style-type: none"> • Overhauled completely our fellowship applications and awards process, terms and conditions. • Introduced a balanced ranking system for applications to ensure consistency. • Enhanced the quality of fellowship reporting.
<p><u>Professional Practice:</u> Support the implementation/delivery of individual surgeon outcome reporting, the Getting It Right First Time (GIRFT) programme, the Chavasse Report, the 2014 International Orthopaedics Consensus panel, and Commissioning Guidance Documents. Problem solving for our members in Wales and Northern Ireland.</p> <p>Key risk: reputational damage from delay,</p>	<p>We:</p> <ul style="list-style-type: none"> • Engaged closely with HQIP, the NJR, Specialist Societies and individual surgeons to ensure that outcome reporting was achieved within the 30 June deadline. • Collaborated with the GIRFT team to create a coherent governance structure. • Engaged with the Surgeon General and the principal military charities in

<p>failure to act, implement or deliver, or failure to engage.</p>	<p>the development of the Chavasse Report.</p> <ul style="list-style-type: none"> • Worked with the President to plan the 2014 International Orthopaedics Consensus panel at EFORT 2014. • Ran the rigorous public consultation and quality assurance processes for five commissioning guidance documents. • Engaged the CMO in Wales to support our members facing unprecedented winter pressures measures. • Engaged the CMO in Northern Ireland to support our members facing novel and contentious commissioning initiatives.
<p>Training and Education: Enhance considerably our CPD and training offers.</p> <p>Key risk: failure to capture the interest and attention of our membership and perceptions of poor value for money.</p>	<p>We:</p> <ul style="list-style-type: none"> • Delivered high quality CPD through a rich Congress programme that attracted a record number of delegates. • Transformed our Congress Programme Book to a more user friendly format. • Launched a new App to promote the revised T&O Curriculum, including an innovative simulation component. • Completed the first stage of Wikipaedics – the trauma and knee sections of our new e learning platform. • Introduced new and popular training courses for orthopaedic trainers, educational supervisors and leaders.
<p>Research: Increase the profile of T&O translational research by enhancing the support infrastructure.</p> <p>Key risk: year on year reduction in national research funding for T&O.</p>	<p>We:</p> <ul style="list-style-type: none"> • Recast the terms of reference of our Research Committee. • Discontinued Joint Action pump priming grants. • Worked with the clinical leads to define a new infrastructure and advertised for a methodologist via CTUs. • Have begun mapping the existing funding of T&O research.
<p>Finance, Organisation and Planning: <u>Finance</u> – introduce more robust budgeting to support performance reporting.</p>	<p>We:</p> <ul style="list-style-type: none"> • Developed budget allocations linked to priorities.

Organisation – create a more engaged Council; enhance joint working with our Specialist Societies; refocus our Regional Advisers on commissioning and local MSK networks.

Planning – develop the evidence base to support the expanded T&O workforce needed to meet demand by 2028.

Key risk: failure to do our job and create impact.

- Developed individual Council member portfolios.
- Revitalised our Board of Specialist Societies with new terms of reference.
- Generated an engagement plan to re-energise our Regional Advisers.
- Collaborated closely with the CfWI in their DH/Health Education England stocktake of the future T&O workforce. This included horizon scanning, a sophisticated Delphi exercise and further data generation.

The agenda of work above will constitute core activity for the next five years and as such forms the basis of our future plans. Performance against objectives is tracked quarterly by our Council.



Mike Kimmons CB
CEO

Reference and Administrative Detail

Registered Address

British Orthopaedic Association
At the Royal College of Surgeons
35-43 Lincoln's Inn Fields
London WC2A 3PE

Charity Registration Number

1066994

Company Registration Number

3482958

Bankers

National Westminster Bank PLC
Marylebone and Harley Street Branch
P O Box 2021
10 Marylebone High Street
London W1A 1FH

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Bircham Dyson Bell LLP
50 Broadway
London SW1 0BL

Investment Advisors

Investec Wealth Management
2 Gresham Street
London EC2 7QN

Employment Advisors

Ellis Whittam Ltd
Woodhouse
Aldford
Cheshire
CH3 6JD

Trustees and Senior Staff

Officers of Council

M L Porter	President to 04/10/13
J J Dias	Immediate Past President to 04/10/13
T W R Briggs	Vice President to 04/10/13, then President
C R Howie	Vice President elect to 04/10/13, then Vice President
T J Wilton	Vice President elect from 04/10/13
A J Timperley	Honorary Treasurer to 03/10/13
J Hodgkinson	Honorary Treasurer from 03/10/13 to 31/12/13
I G Winson	Honorary Treasurer from 01/01/14
D Stanley	Honorary Secretary to 01/01/14
D Limb	Honorary Secretary from 01/01/14

Elected Members

2011 – 2013	2012 – 2014	2013 – 2015	2014 – 2016
B D Ferris	D J McBride	M F Gargan	R A Brooks
J P Hodgkinson	R Ravikumar	M G Matthews	G Giddins
P G Turner	A C W Hui	A M Nanu	I McNab
I G Winson	C R Howie	A J Stirling	P Mitchell

Honorary Posts

Editorial Secretary	M Costa
Assistant Editorial Secretary	B J Ollivere
Archivist	Vacant
Workforce Liaison Officer	G W Bowyer
Chief Executive	M Kimmons CB

Statement of Trustees' responsibilities

The Trustees (who are also directors of the British Orthopaedic Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Newly appointed Trustees receive an induction to the Association and all existing trustees receive ongoing training in order to facilitate effective governance.

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware;
- And each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's

general guidance on public benefit when reviewing the charity's aims and objectives and the planning of future activities.

Risk Management

The risks to which the charity is exposed are reviewed regularly by the Trustees. The major risks are considered to be:

- Financial – where a reduction in the value of investment assets is sufficient to undermine the charity's strategic objectives.
- Operational – where processing failures, fraud, or major incidents, impede the charity's ability to function effectively, and thus to deliver its charitable objectives.
- Compliance – where a failure to comply with charity law, the general law, and the founding Trust Deed, compromises the charity's status and its future.

Ensuring that these, and other risks, are managed appropriately is central to the Trustees' governance, which is the subject of continuing attention. Systems and procedures for risk management are reviewed at Trustees' meetings.

A risk register is updated regularly, and the performance of the professional managers employed to manage the charity's substantial investment assets is monitored closely

Finances

Investments

Our Trust Deed states that monies for investment shall be invested in the name of the Company by the Trustees in any investments permitted by law for the investment of Trust Funds. The Trustees may at any time and from time to time vary such investments for others of like nature.

Investments held for our Strategic Fund and its designated funds could, if necessary, be realised within a short space of time to meet unforeseen commitments incurred by the Association, such as legal, other consultancy or professional expenses. Investments held for our Benevolent Fund are maintained to support possible future claims.

Investment Policy

In general our policy is for the funds to be managed to obtain best returns from both bank interest and dividend income. We discuss portfolio construction and asset allocation regularly with our investment advisers, and interest rates are compared with others available in the market place to ensure they are competitive.

Our investment policy objectives are met by investing prudently in a broad range of fixed interest securities and equities which are quoted on a recognized Investment Exchange, unit trusts, and OEIC's (open ended investment companies) which are authorized under the Financial Services and Markets Act 2000.

All our funds have ethical restrictions on investments in any company whose principal business is the manufacture or supply of, or trading in, armaments and tobacco products. No initial investment should exceed 10% of the total value of the funds under management. No 'pooled' investment should represent more than 15% of the overall portfolio when purchased.

The funds should not be invested in high risk investments including warrants, futures, contracts for difference, options and other type of derivatives unless such investments are used to moderate risk.

Investment Report

The WM Index which represents average charity performance had a growth of 16% for 2013.

Our primary focus during these turbulent times was to ensure that the charity's short-term liabilities were being met, and secondly that the portfolios remained well positioned to provide good growth prospects in the longer term. The following paragraphs outline the purpose and performance of individual restricted and unrestricted funds. For each of the non-cash funds we have adopted a cautious, balanced approach and will continue to so throughout 2014 with a focus on longer term returns.

Strategic Fund

Capital for future strategic projects – such as relocation or premises redevelopment. For convenience this fund also comprises a small investment income which is used to cover the costs of the Howard Steel and Naughton Dunn lectures given at our annual Congress.

This fund is invested along balanced lines. The return for the year was 16.5% against a benchmark of 13.3%.

Operational Fund (cash):

Intended for planned in year expenditure on staged payments for Congress and other course venues, website development and professional expenses.

BOA and Joint Action Reserve Fund:

To meet the aims of the Reserves Policy (see page 17) the fund is invested along balanced lines and the return for the year was 16.3% against a benchmark of 13.3%.

Benevolent Fund:

Intended to meet the needs of our members and their families who find themselves in distressed circumstances. The fund is invested along balanced lines and the return for the year was 18.0% against a benchmark of 13.3%.

Research Fund (Cash):

To meet Joint Action research grant allocations.

Soli Lam Fund:

This is made up of two endowments. The first is for a restricted spinal fellowship fund. The second received in 2013 as a legacy from Soli Lam is restricted to traveling fellowships. The fund is invested for income and growth. The return for the year was 15.5% against a benchmark of 12.6%.

Ram Kumar Chatterjee Fund:

A restricted fellowship fund. The fund is invested for income and growth. The return for the year was 17.5% against a benchmark of 12.6%.

Unrestricted investment income

Our aim is to maximise this source of funding to subsidise expenditure on fellowships, awards and prizes, representational and governance costs for which we do not have specific income streams.

Total unrestricted investment income earned by the Strategic, Operational and combined Reserve Funds in the year was £75,550 (2012: £70,193).

Restricted investment income

Restricted investment income of £48,284 (2012: £34,973) earned in the year is split between three funds, the Benevolent Fund, the Soli Lam Scholarship Fund, the Ram Kumar Chatterjee Fund:

- Benevolent Fund income for the year was £11,349 (2012: £14,197)
- Investment income from the Soli Lam Endowment Fund was £24,961 (2012: £10,598)

- Investment income from the Ram Kumar Chatterjee Fund was £11,974 (2012: £10,178)

Reserves Policy

The primary aim of our reserves policy is to hold sufficient funds to maintain our long-term sustainability and manage short-term volatility in income or liquidity. This is to ensure that we can:

- Continue to meet our financial commitments;
- Balance sound investment with good liquidity management; and
- Avoid short-term decisions to the detriment of our longer-term vision.

Accordingly we aim to:

- Accumulate and sustain unrestricted reserves equivalent to six months running costs (£1,170,063); and
- Maintain our Strategic Fund to cover future developments (£1,504,597);

Having aimed for a reserve total of £2,674,660 at the end of 2013 our actual reserve was £2,704,715 – down from £2,728,548 in 2012. Having reviewed the position, our Trustees are satisfied that this level of reserves is appropriate, given the economic outlook.

Grant Policy

The research appeal of the British Orthopaedic Association, formally invites applications for grants once a year in Trauma and Orthopaedic research from members of the orthopaedic surgery community based in the UK. One member of the research team must be an orthopaedic surgeon in clinical practice. The call is intended to provide opportunities for trauma and orthopaedic surgery research development in line with our published Research Agenda. The applications are then shortlisted by our Grants Committee and sent for external, independent and anonymous peer review with the results being disseminated at our Annual Congress. The grants awarded in 2013 were considered using a double blind process formally accredited by the association of Medical Research Charity. These were pump priming grants awarded to trainee surgeons.

Going Concern

The BOA has cash reserves and has no requirement for external funding. The Trustees have a reasonable expectation that the BOA has adequate resources to continue in operational existence for the foreseeable future. They continue to consider the going concern basis of accounting is appropriate in preparing the annual financial statements.

Assets

The tangible fixed assets shown on the balance sheet for the (previous) General Fund and its designated sub funds include our information systems equipment and software, office equipment and furniture, and Presidential regalia. These are all enablers that are essential to our day to day activity.

Incoming Resources

Voluntary income

There were no restricted donations in the year. This is because all funding support for the the National Hip Fracture Database work has been novated to the Royal College of Physicians and income received for the National Ligament Registry has been moved to charitable activities. No unrestricted donations were received in 2013 (2012: £33,480)

Restricted legacy income increased from £25,106 in 2012 to £560,691 in the year, an increase of £535,585. This included an Endowment legacy of £528,950. No unrestricted legacy income was received in 2013 (2012: £0).

Our policy is to promote legacy income by direct advertisements to the profession at large through the Journal of Trauma and Orthopaedics and through appeals to our public supporter base. We have a contract with Smee and Ford to monitor other possible sources of legacies.

Activities for generating funds

Income derived from fundraising activities decreased by £30,540 to £223,275 (2012: £253,815). Investment income from bank interest deposits and dividends received increased by £18,668 from £105,166 in 2012 to £123,834 in 2013. Dividend income increased by £30,628 while bank interest decreased by £11,960.

Incoming resources from charitable activities

Our two principal income streams are membership subscriptions and our annual Congress:

- Membership income increased in 2013.
- The Annual Congress income increased slightly with increased attendance figures.
- Income from courses and exams decreased slightly by £29,703.

(see Note 4 to the accounts on page 28).

We received NHS England/ Department of Health funding for the Getting it Right First Time program.

We also received sponsorship income for the National Ligament Registry.

Fellowship and scholarship income increased as a consequence of this being a 'high' year in the ABC Fellowship calendar.

Three Trusts and Foundations provided a total of £800 for Joint Action.

As a consequence of these factors our income from charitable activities increased from £2,380,771 in 2012 to £2,511,260 in 2013 – an increase of £130,489 largely attributable to the increase in congress income under our new model of free registration for BOA members, subject to terms and conditions. Congress attendance increased by 186% on the 2012 delegate numbers.

Resources expended

Cost of generating voluntary income

There was a decrease of £143,175 in fundraising expenses in the year. This was attributable in part to the withdrawal of the Orthocard and restructuring of the Joint Action/Research Strategy.

Cost of charitable activities in furtherance of the Charity's objects

An overall increase in 2013 of £440,789 on the costs for 2012 is attributable to principally

- Strategy development
- Policy implementation (Getting it Right First Time)
- Restructuring
- More pump priming grants awarded in 2013 using surplus reserves identified in 2012

Summary

In conclusion, there was a total increase in income of £703,688 and an increase in total expenditure of £306,480 compared to the 2012 figures. The result for the year after net investment gains was a surplus of £810,588, in contrast to a surplus in 2012 of £228,448. This is set out in detail in our Statement of Financial Activities (pages 22-23), Balance Sheet (page 24), and the accompanying notes (pages 25-41).



Martyn Porter FRCS Ed

(President for the year under review)

Date of approval: 8 July 2014

Independent Auditor's Report to the Trustees of British Orthopaedic Association

We have audited the financial statements of British Orthopaedic Association for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes numbered 1 to 20.

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).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

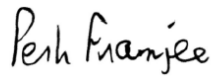
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Presh Framjee

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

22 July 2014

British Orthopaedic Association: Statement of Financial Activities (including income and expenditure account) for the year ended at 31 December 2013

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2013	Total funds 2012
		£	£	£	£	£
Incoming Resources						
Incoming resources for generated funds						
Voluntary income:						
Donations		-	-	-	-	33,480
Legacies		-	31,741	528,950	560,691	25,106
British Hip Society – transfer of opening net assets	2	-	82,966	-	82,966	-
Activities for generating funds:						
Fundraising income		-	223,275	-	223,275	253,815
Investment income	3	75,550	11,349	36,935	123,834	105,166
Incoming resources from charitable activities:						
Membership subscriptions		1,155,116	54,580	-	1,209,696	1,155,800
Education and Professional Practice		97,273	-	-	97,273	153,775
National Hip Fracture Database		-	-	-	-	155,201
National Ligament Registry		-	45,000	-	45,000	20,000
Non-arthroplasty Hip Registry		-	10,000	-	10,000	-
Getting It Right First Time		-	155,000	-	155,000	-
Annual Congress	4	694,226	100,410	-	794,636	662,572
Courses and Exams	4	134,924	-	-	134,924	164,627
Fellowships	5	-	43,937	-	43,937	23,665
Grants		-	-	-	-	8,000
Other income		9,942	10,852	-	20,794	37,131
Total incoming resources		2,167,031	769,110	565,885	3,502,026	2,798,338

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2013	Total funds 2012
		£	£	£	£	£
Resources expended						
Cost of generating funds						
Cost of generating voluntary income:						
Fundraising		-	178,874	-	178,874	322,049
Investment Management fees		22,215	3,837	9,767	35,819	26,953
		22,215	182,711	9767	214,693	349,002
Charitable activities:						
Cost of activities in furtherance of the Charity's objects:						
Membership		453,001	27,373	-	480,374	541,598
Education and Professional Practice		517,695	44,241	-	561,936	327,121
National Hip Fracture Database		-	24,731	-	24,731	175,429
London Implant Retrieval Centre		-	7,209	-	7,209	11,338
National Ligament Registry		-	21,855	-	21,855	10,100
Non-arthroplasty Hip Registry		-	5,865	-	5,865	-
Getting It Right First Time		-	150,072	-	150,072	-
Grants		-	146,129	-	146,129	82,176
Research		20,017	-	-	20,017	-
Annual Congress	4	721,397	96,288	-	817,685	650,206
Courses and Exams	4	169,889	12,259	-	182,148	223,483
Publications		138,500	-	-	138,500	139,034
Fellowships, awards & prizes	5	63,309	54,242	10,000	127,551	106,332
Representation		114,824	-	-	114,824	106,219
Governance costs	6	119,279	815	-	120,094	105,165
		2,317,911	591,079	10,000	2,918,990	2,478,201
Total resources expended	7	2,340,126	773,790	19,767	3,133,683	2,827,203
Net incoming resources	9	(173,095)	(4,680)	546,118	368,343	(28,865)
Gains on investment assets		291,277	58,532	92,436	442,245	257,313
Net movement in funds before transfers		118,182	53,852	638,554	810,588	228,448
Transfers between funds	17	(142,015)	142,015	-	-	-
Fund balances at 1 January 2013		2,728,548	889,845	540,663	4,159,056	3,930,608
Fund balances at 31 December 2013	17	2,704,715	1,085,712	1,179,217	4,969,644	4,159,056

All of the above results derive from continuing activities. The Association has no other recognised gains and losses other than those stated above. The accompanying notes are an integral part of this statement of financial activities.

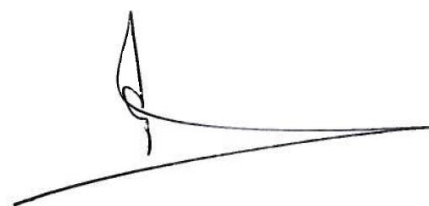
British Orthopaedic Association Balance Sheet as of 31 December 2013

	Note	BOA 2013 £	BOA 2012 £
Fixed assets			
Tangible assets	10	48,313	84,415
Intangible assets	11	64,643	32,552
Investments	12	4,073,108	3,217,117
		<u>4,186,064</u>	<u>3,334,084</u>
Current assets			
Stocks		9,818	6,867
Debtors	13	389,683	740,861
Cash at bank and in hand		1,018,362	816,888
		<u>1,417,863</u>	<u>1,564,616</u>
Creditors: Amounts falling due within one year	14	<u>(566,361)</u>	<u>(670,591)</u>
Net current assets		<u><u>851,502</u></u>	<u><u>894,025</u></u>
Creditors: Amounts falling due after one year	15	(67,922)	(69,053)
Net assets	16	<u><u>4,969,644</u></u>	<u><u>4,159,056</u></u>
Represented by:			
Unrestricted funds		2,704,715	2,728,548
Restricted funds		1,085,712	889,845
Endowment Funds		1,179,217	540,663
Total Funds	17	<u><u>4,969,644</u></u>	<u><u>4,159,056</u></u>

The financial statements on pages 22 to 41 were approved by the Trustees on 8 July 2014 and signed on its behalf by:



Trustee
Ian Winson MB ChB, FRCS



Trustee
Professor Tim Briggs MB BS(Hons), MChOrth, FRCS

The accompanying notes are an integral part of this balance sheet.

Notes

Note 1: Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

a) Basis of preparation

These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments which are stated at market value, in accordance with the Charities Act 2011, applicable Accounting Standards and the Statement of recommended Practice – Accounting and Reporting by Charities (SORP 2005).

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 13.

b) Company status

The Charity is a company limited by guarantee. The Trustees are Directors of the Company and in the event of the Charity being wound up; the liability in respect of the guarantee is limited to £1 per member of the Charity.

c) Membership subscriptions

Subscriptions are accounted for in the year in which they become due in full when received except when subscriptions received are for multiple years, in which case those additional years are deferred until the commencement of the appropriate accounting period. Outstanding amounts at the year-end that are considered to be recoverable are shown on the balance sheet.

d) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Association and that have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds subject to restrictions imposed by donors or the nature of the appeal. The funds are not therefore available for work performed by British Orthopaedic Association other than that specified by the donor.

Endowment funds are comprised of bequests to the BOA which have been invested on the request of the donor to provide on-going fellowships and awards. The income from the endowment funds, Soli Lam Fund and Chatterjee Funds is regarded as restricted. See page 39 for further details.

e) Donations and legacies

Donations and legacies are included in full in the Statement of Financial Activities when the Charity is legally entitled to the income, when receipt is certain and when the amount can be quantified with sufficient reliability.

f) Resources expended

Charitable expenditure comprises expenditure related to the direct furtherance of the Association's charitable objectives. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Representation costs cover attendances by the President in his formal capacity at meetings of sister associations and travel and accommodation expenses of nominated British Orthopaedic Association representatives on relevant external organisations.

Staff costs are allocated on the percentage of time spent by staff on each project or aspect of the Association's charitable objectives.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

Support costs comprise the operational costs of rent, overheads, IT, telephone, mailing, printing and stationery etc. that have not been directly allocated to projects or charitable activities. They contain some staff costs and are allocated on the same basis as staff costs on time spent by personnel on projects or charitable activities with the aim of ensuring that those costs remaining within governance relate to the strategic as opposed to day to day management of the charity's activities.

Grants are charged to the statement of financial activities when a legal or constructive obligation exists notwithstanding that they may be paid in future accounting periods.

g) Stocks

Stocks are stated at the lower of cost and net realisable value. They consist of medals, cups, ties and publications. Publications are only included in stocks if they have a quantifiable lifespan beyond the year in which they are produced.

h) Tangible fixed assets

Tangible fixed assets costing more than £1,000 have been capitalised. They are stated at cost and amortised over their estimated useful lives on a straight line basis as follows:

Computer equipment - 33% per annum

Office equipment - 10% per annum

Office refurbishment - 20% per annum

Website - 33% per annum

i) Intangible fixed assets

Intangible fixed assets costing more than £1,000 have been capitalised. They are stated at cost and amortised over their estimated useful lives on a straight line basis – All intangible assets are under construction at year end so there has been no amortisation charged in the period

j) Cash flow statement

The Association has taken advantage of the exemption from preparing a cash flow statement available under Financial Reporting Standard No.1 (revised) on account of its size.

k) Investments

Listed investments are stated at market value at the balance sheet date. It is the Association's policy to keep valuations up to date such that when investments are sold there is no realised gain or loss arising. As a result the Statement of Financial Activities only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. A disclosure is made within note 12 to the financial statements of the difference between the historic cost and the sale proceeds of the investments sold during the year.

l) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the life of the lease.

m) Pensions

The British Orthopaedic Association participates in the Superannuation Arrangements of the University of London "(SAUL)", which is a centralised defined benefit scheme and is contracted-out of the Second State Pension. SAUL is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in SAUL, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of SAUL's position are carried out between formal valuations. (See note 19 for more detail)

n) Taxation

The British Orthopaedic Association is a registered charity. As such its sources of income and gains, received under Section 466 to 493 Corporation Tax Act 2010, are potentially exempt from taxation to the extent that they are applied exclusively to its charitable objectives. No tax charge has arisen in the year.

Note 2: British Hip Society

On 1 January 2013 the British hip Society became a special trust of the British Orthopaedic Association. The results of the British Hip Society for the period since this date have therefore been included as restricted funds within the financial statements as follows:

	2013
	£
Incoming Resources	
Transfer of opening resources	82,966
Membership Subscription	54,580
Non-arthroplasty Hip Registry	10,000
Annual Congress	100,410
Other Income	318
Total Incoming Resources	248,274
Outgoing Resources	
Membership	27,699
Non-arthroplasty Hip Registry	5,987
Annual Congress	96,533
Fellowship, Awards & Prizes	3,880
Total Outgoing Resources	134,099
Net Incoming Resources	114,175
Fixed Assets	
Stock	2,862
Debtors	3,286
Cash	116,177
Liabilities	(8,150)
	114,175

Note 3: Investment income

Investment income for the year was derived from the following sources:

	2013	2013	2013	2013	2012
	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	£	£	£	£	£
Government Bonds	423	68	447	938	517
Bonds	17,946	3,738	7,481	29,165	14,393
Equities	57,150	7,511	28,824	93,485	78,050
Total dividends receivable	75,519	11,317	36,752	123,588	92,960
Bank interest receivable	31	32	183	246	12,206
	75,550	11,349	36,935	123,834	105,166

Note 4: Annual Congress and courses

	Income	Direct Expenditure	2013 Surplus / (Deficit)	2012 Surplus / (Deficit)
	£	£	£	£
Annual Congress BOA	694,226	475,910	218,316	223,320
Annual Congress BHS	100,410	93,731	6,679	-
	794,636	569,641	224,995	223,320
Courses and Exams				
41 st Instructional Course	30,392	18,319	12,073	21,878
Training Orthopaedic Trainers	18,150	6,764	11,386	(518)
Casting Techniques courses				
Course 1 (including examination)	30,499	29,965	534	13,088
Course 2 (including examination)	20,737	19,459	1,278	9,751
Course 3 (including examination)	26,393	22,568	3,825	4,383
Refresher Course September	1,200	2,093	(893)	1,812
Revalidation	7,553	5,721	1,832	341
Casting Co-Ordinator		12,259	(12,259)	
	86,382	92,065	(5,683)	29,375
Total income shown on SOFA for Courses and Exams	134,924	117,148	17,776	50,735

	2013 £	2012 £
Annual Congress		
Direct costs – BOA	475,910	439,252
Direct Costs - BHS	93,731	-
	569,641	439,252
Staff costs – BOA	142,098	114,883
Support costs – BOA	99,469	82,810
Committees - BOA	3,920	13,261
Support Costs - BHS	2,557	-
	817,685	650,206

	2013 £	2012 £
Courses and Exams		
41 st Instructional Course	18,319	25,342
Casting Techniques	79,806	87,131
Casting Co-ordinator	12,259	12,675
Training Orthopaedic Trainers	6,764	1,719
	117,148	126,867
Staff costs	34,819	44,035
Support costs	26,176	51,757
Committees	4,005	824
	182,148	223,483

Note 5: Fellowships, awards and prizes

	2013	2012
	Income	Income
	£	£
ABC Travelling Fellowship	22,500	3,000
Awards, prizes, medals and cups		
Zimmer Travelling Fellowships	17,937	17,165
B Braun Travelling Fellowship	2,000	2,000
Singhal Travelling Fellowship	1,500	1,500
	43,937	23,665

	2013	2012
	Expenditure	Expenditure
	£	£
ABC Travelling Fellowship	23,968	4,238
BOA Awards, prizes, medals and cups	5,392	4,543
BHS Awards and prizes	350	-
Travelling Fellowship	12,626	13,371
Miscellaneous Travelling Scholarships	3,267	5,045
Zimmer Travelling Fellowships	23,361	15,511
B Braun Travelling Fellowship	2,000	2,000
Singhal Travelling Fellowship	1,500	1,500
Soli Lam Fellowship	-	5,000
Ram Kumar Chatterjee Fellowship	10,000	5,000
McMinn Fellowship	3,500	-
BHS Travelling Fellowships	2,129	-
Sponsorships	3,200	5,550
Staff costs	21,131	14,115
Support costs	10,471	25,879
Committees	3,377	4,580
Support Costs - BHS	1,279	
	127,551	106,332

The *Bone and Joint Journal* generously donated £22,500 (2012: £3,000) towards the ABC Travelling Fellows expenses.

Note 6: Governance costs

	2013	2012
	Total	Total
	Funds	Funds
	£	£
Committees	3,154	8,076
Support costs	41,882	25,877
Professional fees	18,512	24,069
Staff costs	56,546	47,143
	120,094	105,165

Included in Governance costs are: Audit fees £16,500 (2012: £20,766).

Note 7: Total resources expended

	Direct Costs	Grants	Staff Costs (Note 19)	Support Costs (Note 8)	Total Costs 2013	Total Costs 2012
	£	£	£	£	£	£
Resources expended						
Cost of generating funds						
Cost of generating voluntary income:						
Fundraising	87,745	-	51,330	39,799	178,874	322,049
Investment Management fees	35,819	-	-	-	35,819	26,953
Charitable activities:						
Cost of activities in furtherance of the Charity's objects:						
Membership	285,095	-	110,188	85,091	480,374	541,598
Educations and Professional Practice	96,790	-	292,458	172,688	561,936	327,121
National Hip Fracture Database	24,731	-	-	-	24,731	175,429
London Implant retrieval Centre	7,209	-	-	-	7,209	11,338
National Ligament Register	21,855	-	-	-	21,855	10,100
Non-arthroplasty Hip Registry	4,586	-	-	1,279	5,865	
Getting It Right First Time	150,072	-	-	-	150,072	
Grants	-	115,908	16,597	13,624	146,129	82,176
Research	330	-	9,582	10,105	20,017	
Annual Congress	569,641	-	142,098	105,946	817,685	650,206
Courses and Exams	117,148	-	34,819	30,181	182,148	223,483
Publications	20,133	-	68,098	50,269	138,500	139,034
Fellowships, awards & prizes	91,293	-	21,131	15,127	127,551	106,332
Representation	55,140	-	35,589	24,095	114,824	106,219
Governance costs	18,512	-	56,546	45,036	120,094	105,165
	1,586,099	115,908	838,436	593,240	3,133,683	2,827,203
Expenditure in support of activities	491,863	-	101,377	(593,240)	-	-
Total resources expended	2,077,962	115,908	939,813	-	3,133,683	2,827,203

Benevolent Grants Awarded

The Trustees consider applications for support from our members who find themselves in time of need.

	2013	2012
	£	£
Awarded during the year	2,644	36,353

Research Grants Awarded

The Trustees are permitted to award grants to further the aims of the Association as described in the Report of the Trustees.

	2013	2012
	£	£
Outstanding liabilities at the start of the year	228,610	411,407
Awarded during the year	150,000	77,500
	378,610	488,907
Paid during the year	(81,764)	(197,209)
Adjustments	(27,961)	(63,088)
	268,885	228,610
Grants falling due within one year	200,963	159,557
Grants falling due after more than one year	67,922	69,053
	268,885	228,610

During the year we awarded three grants totalling £150,000 for research projects as explained in the trustees report. A full listing of the grants awarded is available on request.

The adjustments relate to under spends on completed grants being written back.

Note 8: Support costs

	Premises	Office	IT &	Finance	Sundry	Committee	2013
	£	Man	Comms	£	£	Costs	Total
	£	£	£	£	£	£	£
Cost of generating voluntary income:							
Fundraising	10,627	11,727	11,727	733	1,832	3,153	39,799
Cost of charitable activities:							
Membership	22,773	25,129	25,129	1,571	3,926	6,563	85,091
Education and Professional Practice Non-arthroplasty Hip Registry	42,510	46,907	46,907	2,932	7,329	26,103	172,688
Grants	3,036	3,351	3,351	209	524	1,279	13,624
Research	1,518	1,675	1,675	105	262	3,153	10,105
Annual Congress	28,846	31,831	31,831	1,988	4,973	4,870	105,946
Courses and Exams	7,591	8,376	8,376	524	1,309	6,477	30,181
Publications	13,664	15,077	15,077	942	2,356	4,005	50,269
Fellowships, awards & prizes	3,036	3,351	3,351	209	524	3,153	15,127
Representation	6,073	6,701	6,701	419	1,047	4,656	24,095
Governance costs	12,146	13,402	13,402	838	2,094	3,154	45,036
Total Support costs	151,820	167,527	167,527	10,470	26,176	69,720	593,240

Note 9: Net incoming resources

	2013	2012
Net incoming resources are stated after charging:	£	£
Audit fees*	16,500	20,776
Depreciation	36,752	28,977
Operating lease rentals: plant & machinery	19,576	17,853
Operating lease rentals: other	113,618	112,673
	186,446	180,279

* Audit remuneration - Fees payable to the company's auditor for the audit of the company's annual accounts.

Note 10: Tangible fixed assets

	Computer equipment	Website	Office equipment and regalia	Office refurbishment	Total
	£	£	£	£	£
Cost					
At 1 January 2013	71,464	122,940	13,261	162,029	369,694
Additions	-	650	-	-	650
Disposals	-	-	-	-	-
At 31 December 2013	71,464	123,590	13,261	162,029	370,344
Depreciation					
At 1 January 2013	65,672	48,210	9,368	162,029	285,279
Charge for year	3,475	32,874	403	-	36,752
Disposals	-	-	-	-	-
At 31 December 2013	69,147	81,084	9,771	162,029	322,031
Net book value					
At 31 December 2013	2,317	42,506	3,490	-	48,313
At 31 December 2012	5,792	74,730	3,893	-	84,415

Note 11: Intangible fixed assets

	Wishbone Database	Database under Construction	Total £
Cost			
At 1 January 2013	30,000	32,552	62,552
Additions	-	32,091	32,091
Disposals	(30,000)	-	(30,000)
At 31 December 2013	-	64,643	64,643
Amortisation			
At 1 January 2013	30,000	-	30,000
Charge for year	-	-	-
Disposals	(30,000)	-	(30,000)
At 31 December 2013	-	-	-
Net Book value			
At 31 December 2013	-	64,643	64,643
At 31 December 2012	-	32,552	32,552

Note 12: Investments

	Strategic Fund	Benevolent Fund	Reserve Fund	Soli Lam Fellowship Fund	Ram Kumar Chatterjee Fund	Total
	£	£	£	£		£
Market Value at 1 January 2013	1,380,310	389,940	885,714	283,211	277,942	3,217,117
Additions at cost excl. S/Brokers cash	217,241	41,824	99,095	690,573	60,653	1,109,386
Disposals at market proceeds	(272,533)	(49,564)	(124,631)	(183,984)	(64,928)	(695,640)
Net investment gain	179,579	58,532	111,698	54,991	37,445	442,245
Market value at 31 December 2013	1,504,597	440,732	971,876	844,791	311,112	4,073,108
Cost at 31 December 2013	1,274,042	358,102	815,983	801,073	268,389	3,517,589
Unrealised gains at 31 December 2013	230,555	82,630	155,893	43,718	42,723	555,519
Realised gains on historic costs in year	58,220	10,448	18,295	30,060	9,462	126,485

Investments held with Investec Wealth & Investment

	Strategic Fund		Benevolent Fund		Reserve Fund		Soli Lam Fellowship Fund		Ram Kumar Chatterjee Fund		Total
	£		£		£		£		£		£
UK Equity & Equity Funds	743,758	49%	213,375	48%	473,974	49%	435,446	52%	157,287	51%	2,023,840
UK Bonds & Bond Funds	218,155	14%	71,309	16%	162,044	17%	144,647	17%	54,383	17%	650,538
Overseas Equities and Funds	517,064	34%	148,362	34%	200,835	21%	249,814	30%	95,172	31%	1,211,247
Overseas Bonds & Bond Funds	25,620	2%	7,686	2%	135,023	14%	14,884	2%	4,270	1%	187,483
Market value at 31 December 2013	1,504,597		440,732		971,876		844,791		311,112		4,073,108

Note 12: Investments (Continued)

Reserve Fund

This is a combined BOA and Joint Action reserve.

Soli Lam Fellowship Fund

This portfolio is made up of two endowments; the Soli Lam Spinal Fellowship endowment of £300,000 and the Soli Lam endowment legacy of £528,950 received in 2013. The market value of these two endowments stood at £312,235 and £532,556 respectively at the year end.

Ram Kumar Chatterjee Fund

An endowment legacy left to the BOA and has been invested in a separate portfolio in order to maximise the return. The market value stood at £311,112 at year end.

For the Strategic Fund

Included within the Association total is a holding in Invesco Perpetual Corporate Bond with a market value of £51,597 (2012: £51,256) held to fund the Howard Steel and Naughton Dunn Memorial Lectures.

Note 13: Debtors; amounts falling due within one year

	2013	2012
	£	£
Gift Aid recoverable	87,738	160,705
Trade Debtors	115,006	372,066
Other debtors	14,552	11,146
Prepayments	122,149	187,276
Accrued Income	37,127	1,873
Value added tax	8,993	7,658
Members' subscriptions in arrears	4,118	137
	<u>389,683</u>	<u>740,861</u>
Debtors over One Year	-	-
	<u>389,683</u>	<u>740,861</u>

Note 14: Creditors; amounts falling due within one year

	2013	2012
	£	£
Trade Creditors	113,594	260,670
Social Security	18,981	17,762
Sundry Creditors	6,959	7,783
Accruals	134,413	143,612
Deferred Income	91,435	56,459
JA Research grants	200,963	159,557
National Hip Fracture Database	16	24,748
	566,361	670,591

National Hip Fracture Database Project (NHFD)

The National Hip Fracture Database creditor of £16 (2012: £24,748) represents the sum due to the British Geriatrics Society (BGS) under the 50/50 joint arrangement (JANE).

Movement on deferred income

Unrestricted Funds

	Course fees	Members' subscriptions	Getting it Right First Time (GIRFT)	Total 2013
	£	£	£	£
1 January 2013	50,997	5,462	-	56,459
Released in the year	(50,997)	(5,462)	-	(56,459)
Deferred in the year	35,362	6,073	50,000	91,435
	35,362	6,073	50,000	91,435

Note 15: Creditors; Amounts falling due in more than one year

	2013	2012
	£	£
Grants Payable – Research Grants	67,922	69,053

Note 16: Net assets by funds

	Tangible fixed assets	Intangible fixed assets	Fixed assets investments	Other net assets	Total
	£	£	£	£	£
Unrestricted funds	48,313	64,643	2,476,473	115,286	2,704,715
Restricted funds	-	-	440,732	644,980	1,085,712
Endowment funds	-	-	1,155,903	23,314	1,179,217
	48,313	64,643	4,073,108	783,580	4,969,644

Note 17: Total funds

	31-Dec-2012	Incoming resources	Outgoing resources	Transfers	Net investment gain/(loss)	31-Dec-2013
	£	£	£	£	£	£
General Funds	1,404,121	2,167,031	(2,340,126)	714,254	179,579	2,124,859
Designated Funds						
Education and Training Fund	94,000	-	-	6,000	-	100,000
Casting Techniques Flooring Fund	6,000	-	-	(6,000)	-	-
Relocation Fund	706,269	-	-	(706,269)	-	-
Reserve Fund	518,158	-	-	(150,000)	111,698	479,856
	2,728,548	2,167,031	(2,340,126)	(142,015)	291,277	2,704,715
Restricted Funds						
Howard Steel Foundation	43,106	-	(2,647)	2,995	-	43,454
Naughton Dunn Memorial Lecture Fund	7,657	-	(400)	432	-	7,689
Benevolent Fund	478,135	11,349	(6,481)	-	58,532	541,535
JA Research Fund	48,547	255,016	(322,359)	150,000	-	131,204
Casting Co-ordinator	7,595	10,534	(12,259)	-	-	5,870
Grants	11,626	-	-	-	-	11,626
National Hip Fracture Database	24,750	-	(24,731)	-	-	19
London Implant Retrieval Centre	19,221	-	(7,209)	-	-	12,012
National Ligament Registry	49,900	45,000	(21,855)	-	-	73,045
British Hip Society	-	248,274	(134,099)	-	-	114,175
Getting It Right First Time	-	155,000	(150,072)	-	-	4,928
E-Learning	137,441	-	(4,867)	-	-	132,574
McMinn Scholarship	2,000	-	(3,500)	1,500	-	-
Zimmer Fellowship	1,917	17,937	(17,937)	-	-	1,917
ABC Fellowship	-	22,500	(22,500)	-	-	-
B Braun Fellowship	38	2,000	(2,000)	-	-	38
Singhal Fellowship	-	1,500	(1,500)	-	-	-
BON Production Costs	12,912	-	-	(12,912)	-	-
Data Analyst	45,000	-	(39,374)	-	-	5,626
	889,845	769,110	(773,790)	142,015	58,532	1,085,712
Endowment Fund						
Ram Kumar Chaterjee Fund	284,344	11,974	(12,786)	-	37,445	320,977
Soli Lam Spinal Fellowship Fund	256,319	9,225	(2,580)	-	20,325	283,289
Soli Lam Orthopaedic Fellowship Fund	-	544,686	(4,401)	-	34,666	574,951
	540,663	565,885	(19,767)	-	92,436	1,179,217
	4,159,056	3,502,026	(3,133,683)	-	442,245	4,969,644

Designated Funds

Education and Training Fund and the Casting Techniques Flooring Fund

This fund exists to provide educational opportunities and initiatives in the context of the Association's objectives and to provide subsidies for educational courses if required. A specific amount of £6,000 exists as contingency funding to pay for any necessary major repairs to the floor of the Concert Hall at the Royal National Orthopaedic Hospital, Stanmore which is used as a practical workshop for the Casting Courses. Historically, there has only ever been minimal water damage to the floor, the costs of refurbishment of which were shared between the courses that were held in the applicable years

Relocation Fund

Following receipt of a legacy from the Late Susan Tate, the Trustees decided to designate the funds received towards the cost of purchasing a building to house the offices currently rented from the Royal College of Surgeons. In light of a new tenancy being agreed and signed in 2013 along with the Royal College of Surgeons plans for re-development of the main buildings office space requirement for such a fund is no longer required and the £706,269 shall be transferred to General funds.

Reserve Fund

This is a combined BOA and Joint Action Reserve fund, the income is split proportionally between the BOA and Joint Action. Joint Action proportion is added to the income available to fund Research Grants. See Reserve policy on page 17. It was agreed the Joint Action Reserve surplus of £150,000 could be used in the in the awarding of additional pump-priming Grants.

Restricted Funds

Howard Steel Foundation

Funds were received over a period of years from Dr Howard Steel that were restricted to pay an honorarium to a speaker whose speech content at the Annual Congress was of a non-orthopaedic nature. The first lecture took place at the Association's 1998 Annual Congress in Dublin.

Naughton Dunn Memorial Lecture Fund

The fund was established from a donation received from Mrs Ethel Dunn to sponsor an annual memorial lecture in memory of her husband, a former President of the Association.

Benevolent Fund

The fund exists to meet any successful claims for relief from poverty or distress that might arise from eligible members of the British Orthopaedic Association.

British Hip Society

The British Hip Society has come under the BOA umbrella as an autonomous Trust with their investments and other funds being accounted for as a restricted item with in the BOA accounts. The opening balance & transfer of net assets to BOA from BHS was £82,699. (see Note 2 for full details)

Getting It Right First Time (GIRFT)

In 2013 the Department of Health made a one off restricted payment of £205,000 towards the GIRFT pilot funding seeking to support the delivery of priority objectives in respect of patients receiving elective orthopaedic treatments:

- Improved patient experience
- Re-empowering clinicians
- Improved patient safety
- Better outcomes in terms of joint longevity, infection – SSI and acquired, complications, readmissions and mortality

Significant savings for the taxpayer from reduced complications and infections, readmissions, length of stay and litigation; better directed care pathways; reduction in loan kit costs; and the introduction of evidence based procurement and procedure selection.

Joint Action (JA) Research Fund

Joint Action was established to raise funds for orthopaedic research and to award grants to successful applicants. The transfer on this fund is the releasing of £150,000 of surplus reserves that the Trustees authorised to be released and awarded as grants.

Casting Co-ordinator Fund

This fund existed to pay the salary of the Casting Co-ordinator. Funds will still be received for this purpose but will now form part of the 'other restricted funds' received by BOA.

Grants (ex Wishbone)

Donations received for orthopaedic research and for the awarding of research grants.

Other restricted funds

From time to time we receive funds for specific purposes. In this year they include the National Hip Fracture Database, the ABC, Zimmer, Singhal and B Braun travelling fellowships and the National Ligament Registry.

Endowment Fund

An endowment of £300,000 was received in 2006 from Mr Soli Lam, a BOA member, the income from which was to support an annual fellowship in spinal surgery. The terms allow for a biennial fellowship dependent on the returns from the capital. An endowment legacy of £528,950 was received from the estate of Mr Soli Lam in 2013; the income from this endowment is to support an annual traveling orthopaedic fellowship.

An Endowment legacy of £262,054 was received from Mrs Margaret Slack this has been used to set up the Ram Kumar Chatterjee Award.

Note 18: Operating lease commitments

At 31 December 2013 the Association had annual commitments under non-cancellable operating leases as follows:

	2013		2012	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiry date:				
Within one year	-	-	-	-
Between two and five years	116,526	14,934	-	14,934
Over five years	-	-	-	-
	116,526	14,934	-	14,934

Land and Buildings

The Royal College of Surgeons reviews its overhead charge annually. The Rent and Service Increase was decided and took effect from 1 July 2013.

Note 19: Staff Costs

	2013	2012
	£	£
Wages and salaries	733,613	620,637
Social security costs	64,668	56,423
Pension costs	70,565	66,037
Other staff costs	70,967	28,921
	939,813	772,018

We underwent some major staff restructuring during 2013 with 5 leavers and 6 new starters during the year. The wages and salary costs above include the costs of two seconded staff members whose costs are fully recovered from the Specialist Societies they work for, also included is the cost of our Data Analyst for whom we received external funding.

Pension Scheme

The British Orthopaedic Association participates in the Superannuation Arrangements of the University of London "(SAUL)", which is a centralised defined benefit scheme and is contracted-out of the Second State Pension. SAUL is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in SAUL, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of SAUL's position are carried out between formal valuations.

The British Orthopaedic Association participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. The British Orthopaedic Association has now adopted FRS17 for accounting for pension costs. It is not possible to identify the British Orthopaedic Association share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8 – 12 of FRS17.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were: 31 March 2011.

Latest actuarial valuation	31.03.2011
Discount Rate	
- Pre-retirement	6.80% p.a.
-Post-retirement	4.70% p.a.
General* Salary Increases	3.75% p.a. until 31 March 2014, 4.50% p.a. thereafter
Retail Prices Index inflation (“RPI”)	3.50% p.a.
Consumer Price Index Inflation (“CPI”)	2.80% p.a.
Pension Increases in payment (excess over GMP)	2.80% p.a.
Mortality – base table	SAPS Normal (year of birth) tables with an age rating of +0.5 years for males and - 0.4 years for females.
Mortality – future improvements	Future improvements in line with CMI 2010 projections with a long term trend rate of 1.25% p.a.

* an additional allowance is made for promotional Salary increases

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL’s assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee’s long-term investment strategy, the Trustee and the Employers agreed to maintain Employer and Member contributions at 13% of Salaries and 6% of Salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL’s assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

The more material changes (the introduction of a Career Average Revalued Earnings, or “CARE”, benefit structure) to SAUL’s benefit structure will apply from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

The total pension cost for the Association was:

	Year ended 31-Dec-13	Year ended 31-Dec-12
	£	£
Contributions to SAUL	67,402	62,894
Other Pension Costs	3,163	3,143
Total Pension cost	70,565	66,037

The employer contributes 13% of salaries. In addition, staff members’ contribute 6.0% of their salary.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2013 Number	2012 Number
£70,000 - £80,000	1	1

The average number of employees analysed by function was:

	2013	2012
	Number	Number
Fundraising	2	3
Membership	3	2
Annual Congress	4	4
Courses and Exams	1	2
Education & Professional Practice	6	5
Publications	1	1
Governance	1	1
	<u>18</u>	<u>18</u>

No Trustee received remuneration during the year (2012: Nil). Out of pocket expenses for 18 Trustees (2012: 18) were:

	2013	2012
	£	£
Travel and subsistence	<u>15,308</u>	<u>70,594</u>

Note 20: Related Parties

In 2013, British Orthopaedic Association received £205,000 from the Department of Health as conduit in relation to funding the costs of a locum to cover the position of Professor Briggs (President of the BOA) whilst he worked on the 'Getting It Right First Time' project. During the period, £155,000 has therefore been remitted to his employer (Stanmore hospital) in line with the terms of the arrangement and the remaining balance of £50,000 will be remitted in 2014.

Annex 1: Governance and Council business

The BOA is a registered Charity (Reg. 1066994) and a Company (Reg. 3482958). Limited by Guarantee. Not having a Share Capital, in terms of the Companies Act 2006, we are governed by the Memorandum and Articles of Association which came into force on 12 December 1997, and by our Rules, as published in our annual Handbook.

Overall governance of the BOA is exercised by a Council of 18 elected Trustees and 11 ex officio members:

- The Trustees comprise 6 Officers and 12 elected Council Members.
- The 6 Officers – the Presidential Line (Past President, President, Vice President and Vice President Elect), the Honorary Secretary and the Honorary Treasurer are elected by Council.
- Trustee Council members are elected by postal ballot of all Fellows.
- The Trustees have voting rights; holders of ex officio posts do not.

The full Council in 2013 consisted of 27 members, including eleven ex officio posts, some members serving in a dual capacity.

All new Trustees are issued with the Charity Commission booklet on their duties and responsibilities. They also receive a pack of briefing papers as recommended by the Charity Commission; are asked to sign the Trustees' Conflict of Interest form; and to provide information for the Register of Interests.

Our Trustees' responsibilities are covered earlier in this report, just before the section dealing with our financial performance and accounts.

A staff of 18 headed by the Chief Executive supports strategy and policy development; communications and media engagement; education programmes; financial planning, budgeting and management; information services; events management; membership issues and benefits and specialist societies.

Figure 1: BOA Council and Committee structure

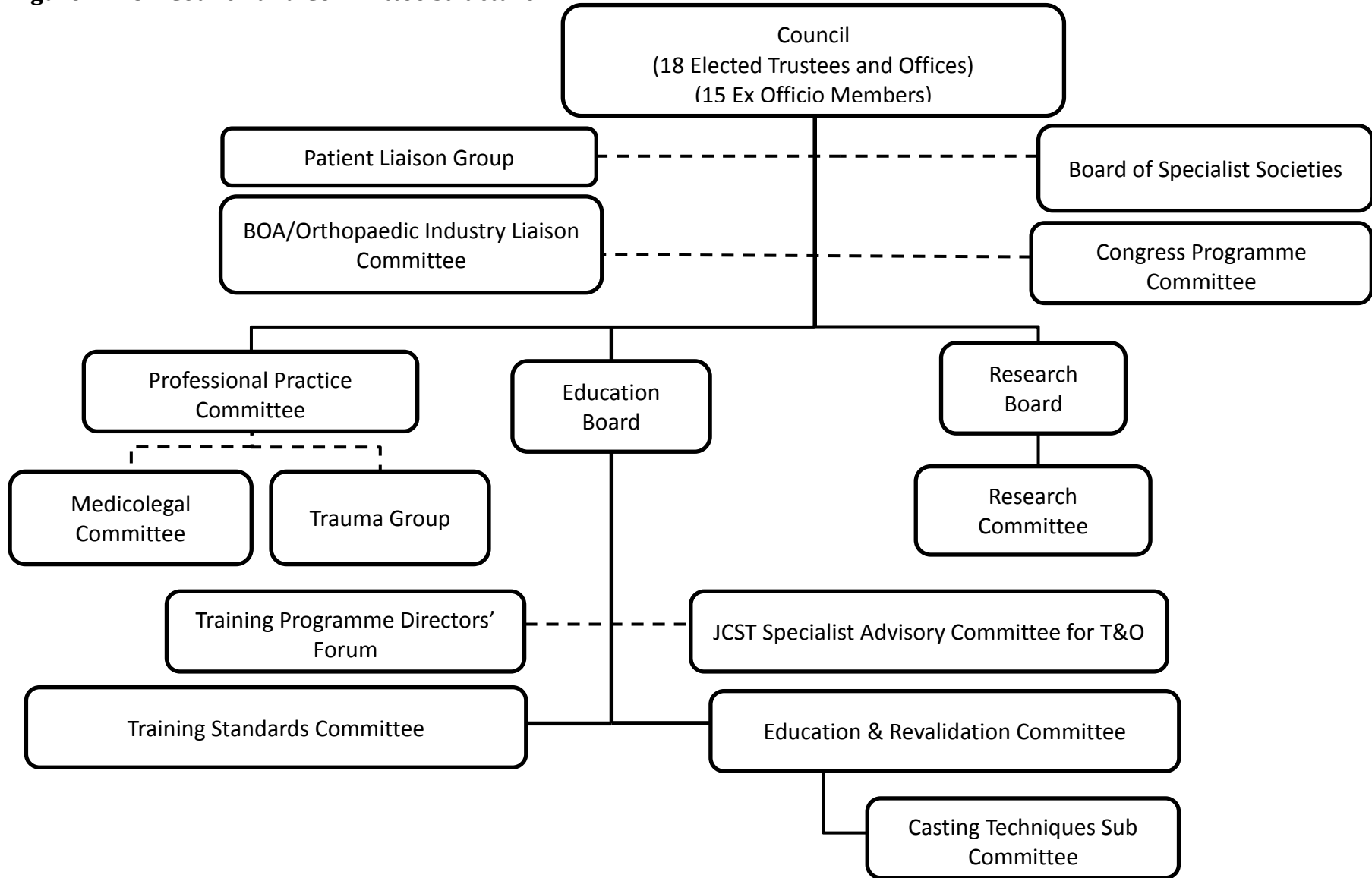
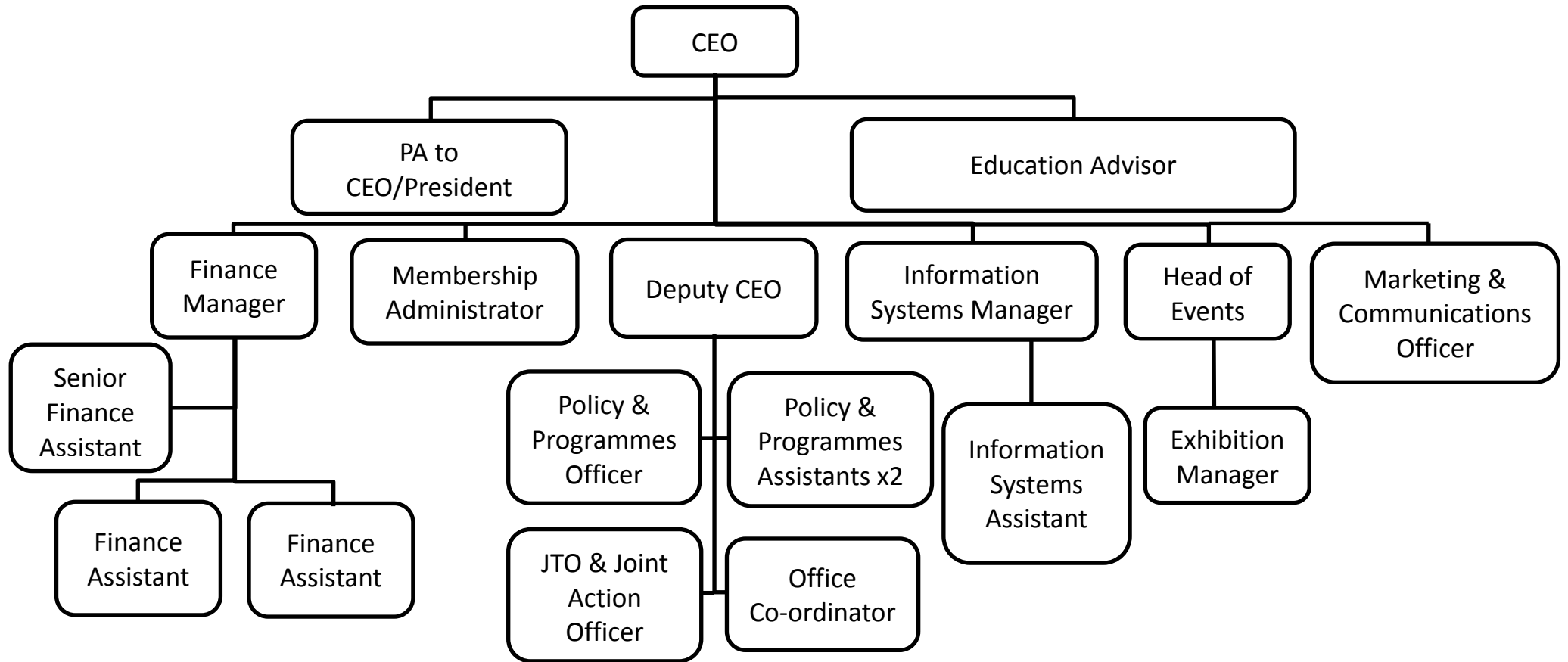


Figure 2: BOA Staff structure



Council Business

The BOA Council met five times in February, April, July, September and December.

Key strategic decisions and/or endorsements included the following:

- Publication of surgeon level data as part of an NHS England drive towards high professional standards and transparency of outcomes information. This was also in part a response to the issue of accountability highlighted by the Mid Staffordshire enquiry.
- Increasing engagement with and support to the Specialist Societies, one mechanism of doing so was the newly established Orthopaedic Outcomes Publication Advisory Group.
- Establishing a new Registries work stream.
- Progress of the Consultant Advisory Book compiled by the Professional Practice Committee.
- Publication of surgeon outcomes data on the NJR Surgeon and Hospital Profile website.
- Outreach to new members following the successful launch of JTO.
- Increased connectivity in regional networks, supported by the new membership database.
- The BOA's response to the NHS Data Consultation.
- Redeployment of Joint Action funding to support a new research infrastructure focused on major trials.
- The development of the 'Getting it right first time' (GIRFT) project
- Increased engagement with medical students and effective engagement with Allied Health Professionals as part of the training and education strategy.

Executive Group Business

Key Executive Group activity in 2013 included:

- Developing communication links between the BOA, RCS Eng and the FSSA.
- Defining the BOA's official journal and newsletter – seeking governance and legal advice on the transition from BON to JTO, and launching the JTO under the Editorship of Martyn Porter.
- The financial viability of Joint Action and the withdrawal of the Orthocard.
- Plans for a joint Congress with EFORT in 2014 and a smaller BOA Congress in Autumn 2014.
- Analysing the bids to host the 2016 BOA Congress, which ultimately was booked for Belfast.
- Re-evaluating subscription rates in light of the previous year's increase due to free Congress registration.
- Engagement with the Centre for Workforce Intelligence investigating the future of the T&O workforce through a Delphi process.
- Reorganisation of the BOA, aligning the Council model to serve its purpose fully.
- A focus on Bone and Joint Journal's publications including the launch of a new quarterly newsletter and strengthening the relationship between our two organisations.
- Revising the business plan and budget for 2014, and understanding how resources were being deployed.
- Development of the International Trauma and Orthopaedic Summit to be held at EFORT.
- Defining the concept of Wikipaedics and moving to an open source platform.
- Development of the Chavasse Report.
- Considering the outline findings of the GIRFT project to date.

BOA Specialist Societies

We have 20 specialist societies under our umbrella. Their work is of pivotal importance to the Association. They comprise:

- British Association for Surgery of the Knee (BASK)
- British Association of Spinal Surgeons (BASS)
- British Elbow and Shoulder Society (BESS)
- British Hip Society (BHS)
- British Limb Reconstruction Society (BLRS)
- British Orthopaedic Foot and Ankle Society (BOFAS)
- British Orthopaedic Oncology Society (BOOS)
- British Orthopaedic Specialists Association (BOSA)
- British Orthopaedic Sports Trauma & Arthroscopy Association (BOSTAA)
- British Orthopaedic Trainees Association (BOTA)
- British Society for Children's Orthopaedic Surgery (BSCOS)
- British Scoliosis Society (BSS)
- British Society for Surgery of the Hand (BSSH)
- British Trauma Society (BTS)
- Computer Assisted Orthopaedic Surgery Society (CAOS)
- Combined Services Orthopaedic Society (CSOS)
- Orthopaedic Trauma Society (OTS)
- Rheumatoid Arthritis Surgical Society (RASS)
- Society for Back Pain Research (SBPR)
- World Orthopaedic Concern (WOC)