

(FOUNDED 1918)
PATRON: HRH THE PRINCE OF WALES



British Orthopaedic Association Annual Report & Accounts

As at 31 December 2018

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

Tel: 020 7405 6507
Fax: 020 7831 2676
www.boa.ac.uk

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

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Presidents Foreword

In 2018 the BOA celebrated its centennial year. The growth from 12 founding members in February 1918 to a peak of 5,010 by the time of our centenary Congress in September 2018 demonstrates the vitality and strength of our Association. Our membership continues to develop and diversify to encompass the broad spectrum of practitioners within the musculoskeletal field and this year we were particularly pleased to see the increased participation of medical students and affiliated practitioners such as Physiotherapists; a trend we hope continues.

Despite the positive reflection on the development of our specialty, and the Association, 2018 saw a continued focus on the changing nature of healthcare delivery systems, rationing and limiting access to care, with many patients struggling with the day-to-day impact of MSK conditions. We reached out to our members to better understand the difficulties posed by winter pressures and increasing waiting times. We joined forces with other bodies such as ARMA and Versus Arthritis to speak out about arbitrary barriers being imposed to limit the number of patients having access to effective orthopaedic treatment. This led to a number of high level meetings and plans for a parliamentary reception for early 2019 to raise these issues with MPs and key decision makers. We have also worked hard to get our messages out to the media and speak out on behalf of patients about these issues. We received positive coverage in the Daily Telegraph, Times, and Daily Mail among many others.

One of our most significant areas of policy engagement in 2018 has been working closely with four of the specialist societies (BESS, BSSH, BASS and BASK*) to respond to the proposals to restrict access to seven orthopaedic operations through the Evidence Based Interventions programme. We successfully achieved changes to proposals, and we will continue to monitor the implementation phase through 2019 (including a meeting with the NHS England Medical Director planned in early 2019). There have also been determined efforts from the Expert Working Group and GAPI (Group Advising on Pricing Information) in influencing the tariff for orthopaedics in 2019; a huge amount of work has been undertaken and this has been successful in limiting planned reductions and revising individual prices. We particularly wish to highlight the significant involvement from Ro Kulkarni and acknowledge his invaluable input. Tariff and coding remains an ongoing issue and will be the focus of a dedicated session at the 2019 Congress.

Following a year of development with the National Joint Registry (NJR) we carried out the first of the Elective Care Reviews in 2018, with another planned in early 2019. This programme utilises NJR data and appoints a panel of peer reviewers to investigate and offer expert independent advice to assist the hospitals in identifying and managing issues relating to performance and outcomes for joint replacement. We both personally participated in some of these reviews, and are enormously grateful to all those who contributed as panel members as this requires a significant amount of time and input in each case. We believe this is proving to be a valuable and supportive process for trusts and surgeons, and we are looking at further developing this ahead into 2019.

July 2018 saw the first publication of consultant level data from PHIN (Private Healthcare Information Network), and in early 2019, the first publication of consultant fee data is also expected. While there continue to be some concerns about the accuracy and robustness of the data, the BOA encourages members to engage with the process to ensure that the data is fair and accurate. We continue to work with PHIN, our specialist societies and our members on these programmes.

Our work to support emerging registries within our profession under the banner of 'Trauma and Orthopaedic Registries Unifying Structure (TORUS)' has continued in 2018. Likewise, our research activity remains strong. As well as continuing to support world class research through the BOA Orthopaedic Surgery Research Centre (BOSRC) and the James Lind Alliance Priority setting partnerships, we have also been exploring partnership options with Versus Arthritis to strengthen and diversify our research offer.

Our centenary congress in Birmingham was a huge success with a record number of attendees and a diverse programme reflecting the centenary theme of Taking Stock: Planning the Future. A fascinating display from the BOA archives provided the opportunity to reflect on the development of orthopaedics over the past 100 years and truly

inspiring guest lectures from Dr Matthew Vargese and Mark Ormrod offered insights into the transformational impact of trauma and orthopaedic surgery. The Congress continues to provide a unique opportunity for networking with national and international colleagues alongside supporting professional development and revalidation which could not be delivered without the ongoing support of the Specialist Societies.

Our core training and education offer has continued with the BOA's UK In-training examination (UKITE) operating on a more robust platform and further developments on track for the introduction of improved quality assurance processes. Another successful cohort of Clinical Leaders have progressed through the scheme, and a review was undertaken of the Instructional Course with a resulting restructured one day event planned for 2019. A new addition to our portfolio in 2018 was the Bootcamp course providing enhanced induction for trainees. Aware of the variation in support for orthopaedic trainees this format is being piloted to assess how we can ensure they are prepared for the next level of surgical practise, looking at both the cadaveric training and human factors. Once the pilots are complete, further proposals will be put together on how this can best be delivered locally.

Promoting a just culture and positive working environment fundamentally underpins the BOA mission of caring for patients and supporting surgeons but unfortunately cases of bullying and undermining do still exist within the workforce. The BOA strongly believes there is no place for sexism, bullying or undermining of any description in any setting and we are committed to promoting this change across all of our activities. Building on work undertaken by the Royal College of Surgeons of Edinburgh and BOTA we undertook a survey of our members to try to better understand the issues being faced in trauma and orthopaedics and consider ways in which they can be tackled. The survey provided some illuminating examples and reinforced the need to speak out about these issues.

The BOA recognises the need for a positive shift in culture within our profession to ensure all members of the surgical team feel valued and thus allowing them to perform at their best. Trauma and Orthopaedic surgery delivers significant benefits to the wellbeing of our patients and this can only be achieved by excellence in training and diversity of our surgeons. Our aim is to champion the best positive workplace behaviours and to challenge inappropriate or outdated practices when they are identified. We are working with allied organisations to effect this change together so that we lead the movement within the medical profession.

During the course of 2018 we have also taken the opportunity to take stock of our own processes and internal effectiveness. A thorough review of committees and governance structures has taken place and a new membership database and website developed to ensure that the BOA can provide effective and reliable support to our members. The benefits of this will be realised throughout 2019 and beyond.

As always, these activities can only be delivered with the dedication and commitment of our faculty who freely give their time, and to whom we extend our gratitude, and the continued support of our members, supporters and our core team of staff.



Ananda Nanu
Immediate Past President



Philip Turner
President

Reference and Administrative Detail

Trustees and Senior Staff

Officers of Council

A M Nanu	President to 28/09/18, then Past President
I G Winson	Immediate Past President to 28/09/18 then additional trustee
P Turner	Vice President to 28/09/18, then President
D J McBride	Vice President elect to 28/09/18, then Vice President
R C Handley	Vice President elect from 28/09/18
J Skinner	Honorary Treasurer from 01/01/18
D Eastwood	Honorary Secretary from 01/01/17

Elected Members of Council

2016 – 2018	2017 – 2019	2018 – 2020	2019 – 2021
S Bendall	M Bowditch	P Giannoudis	G Giddins
K Daly	L Breakwell	R Morgan-Jones	R Gregory
R C Handley	S Hodgkinson	H Simpson	F Monsell
J A M Skinner	R Parkinson	D Tennent	A Stephen

Honorary Posts

Archivist	I B M Stephen
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Key Management

Chief Operating Officer	J Clarke
Director of Finance	E Fry
Director of Policy and Programmes	J Trusler
Director of Communications and Operations	E Storey
Interim Director of Communications	A Heninger

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

Auditor

Crowe U.K. 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

HR Inspire
64-68 Akeman Street,
Tring,
Hertfordshire
HP23 6AF

Structure, Governance and Management

Governance

The British Orthopaedic Association (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 and on our website.

The trustees are responsible for the overall governance of the Association and are the ultimate decision-making authority responsible for the strategy, financial, organisation and business matters of the Association. The full Council, including trustees and ex-officio positions are responsible for matters of professional strategy and policy to inform trustee decisions and strategic priorities for the Association.

The Executive is formed of the President, Vice President, Vice President Elect, Honorary Secretary and Honorary Treasurer supported by the Chief Operating Officer and the senior management team. The trustee body will delegate certain tasks to the Executive group with outcomes reported regularly at trustee only Council meetings, these include resolution of staffing issues, pay and remuneration, benevolent fund decisions, project oversight and investment reviews. Pay and remuneration levels of the Associations key management personnel are set by the Executive (and reported to the trustees) based on market analysis provided by the HR advisors.

A new governance code, endorsed by the Charity Commission and other industry bodies, was launched during 2017. The BOA is undertaking a thorough strategic review to assess the current arrangements in place and opportunities for improvement to ensure meet best practice. Due to pressures of other projects this work did not progress as anticipated in 2018 and will be a focus for resolution in 2019.

Council

The Council is the governing body of the Association and the elected members of the Council are its trustees. Council consists of a maximum of 12 elected surgical fellows; 6 elected officers and up to 12 ex-officio members representing specific interests. Trustees have voting rights; holders of ex-officio posts do not.

In 2018 the full Council consisted of 29 members (with some serving in a dual capacity i.e. both elected and ex-officio). These Council members constituted: 6 officers at any one time (listed on page 5), 11 other trustees at any one time (including Elected Members of Council and 'Additional Trustee' roles, listed on page 5) and 12 in purely ex-officio roles. In 2018 the BOA appointed Past President, Ian Winson, as an additional trustee for one year under article 32 of the Memorandum and Articles of Association, to support a review of the BOA governance processes.

Trustees are elected by a postal ballot each serving for three years. Four of the elected trustees shall retire each year and thereafter shall be eligible for re-election after one year's retirement. Each year Fellows of the Association are invited to nominate candidates for Council, each nomination must be proposed and seconded by a Fellow of the Association and endorsed with the candidate's written consent to stand.

In the event of an equality of votes, the Council will determine the candidate(s) for election by a majority vote.

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. They are also given a comprehensive induction process, including a presentation covering our full range of business and desk-side briefings by the BOA staff.

A staff of 17 supports strategy and policy development; communications and media engagement; education and research programmes; financial planning, budgeting and management; fundraising and public engagement; information systems; event management; membership issues and benefits; and specialist societies.

As of 31 December the numbers of members was as follows:

Membership category	Dec-18	Dec-17
Honorary Fellows	53	61
Corresponding Fellows	11	15
Companion Fellows	20	23
Senior Fellows	364	381
Home Fellows	1,954	1,939
Overseas Fellows	258	265
Post CCT	364	329
SAS Surgeons	292	223
Home Members	136	141
Home Associates	1,182	1,117
Overseas Associate	5	3
Foundation Year Doctors	155	85
Medical Students	175	108
Affiliates	105	16
Travelling Fellowship	37	20
Total	5,111	4,726

Specialist Societies of the BOA

We could not fulfil our objectives without the collaboration of our 22 affiliated Specialist Societies. These are of huge importance to us as key contributors to our Annual Congress, clinical guidelines, commissioning guidance, trauma advisory sheets, overall policy development and delivery of change within the profession.

The Specialist Societies 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 Indian Orthopaedic Society (BIOS)
- 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 and 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)
- United Kingdom Spine Societies Board (UKSSB)
- World Orthopaedic Concern (WOC)

Report of the Trustees

Objects

The BOA's charitable objects are the advancement for the public benefit of the Science, Art and Practice of Orthopaedic Surgery with the aim of bringing relief to patients of all ages suffering from the effects of injury or disorders of the musculoskeletal system.

As a 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.

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.

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.

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 other key partners in the musculoskeletal arena.

Public benefit from our work

The trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The trustees further confirm that the activities of the Charity are carried out, in line with its objects, for the public benefit as described below.

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 our three core objectives of excellence in:

- Professional Practice
- Training and Education
- Research

Activities and Achievements for 2018

The BOA Council is supported by the Executive Group and a number of other committees responsible for delivery specific aspects of our mission and strategy. The BOA Council met regularly throughout 2018 in February, April, July, October and December and we have continued to develop our relationships with key organisations with representation on the Royal College of Surgeons (RCS) of England Council and the Federation of Surgical Specialty Associations.

A major focus in 2018 was the commemoration of the BOA's centenary year. A year of celebration and reflection was delivered through centenary themed editions of the Journal of Trauma and Orthopaedics, membership initiatives and our largest ever Congress featuring fascinating displays from the BOA archives.

The BOA continued to develop relationships with Orthopaedic associations across the globe, and was delighted to be guest nation at both the German and the Chinese Orthopaedic Association Congresses. The BOA is keen to develop these relationships and collaborate on key projects in the future.

In 2018 we undertook and delivered a significant project to revise our membership database (CRM) and website to enable the BOA to better engage and support our membership. This project was delivered effectively and on time, despite reduction in staffing numbers during the year. However, this also meant that progress on other areas of activity did not move forward at the anticipated pace. Work on the strategic and committee review continued with implementation now anticipated in summer 2019.

Membership, Finance and Resources

- The CRM was delivered on time in October 2018, providing a more robust, comprehensive system alongside the introduction of a members' portal, allowing online self-service options for payment of fees, booking of Congress and course and editing communication preferences.
- The website project was well underway by the end of 2018 and on course for launch in Spring 2019, including the provision of the BOA members directory online, necessary to meet GDPR requirements and provide a more cost effective means of delivery.
- We continued to work closely with the Specialist Societies, including joint publications and consultations responses, and attendance at nine meetings by both staff and senior council members.
- Our Twitter and Facebook presence has continued to grow as we seek to better engage with our members and grow awareness of our activities
- The benevolent fund awarded two grants during the year.

Professional Practice

- We have focused particularly on issues relating to barriers to access to surgery and growing waiting times for patients across the UK. We have:
 - held high level meetings on these topics in both England and Northern Ireland, where waiting times are a particularly serious problem;
 - publicised the severity of waiting times in England in the winter of 2017/2018 and undertaken a survey of members about regional impacts;
 - continued to promote the position statement on access to surgery that had been created in 2017 by ARMA (Arthritis and Musculoskeletal Alliance), ourselves and other ARMA members.

- The NHS England programme ‘Evidence Based Interventions’ took place in 2018 and had seven orthopaedic procedures within its remit. We, and the specialist societies relevant to these interventions, became actively involved in critiquing and influencing the programme, including contributing to consultations, attending stakeholder meetings and liaising with the organisers of the programme. We have continued to engage on this right through to early 2019, including a meeting with NHS England Medical Director Prof Steve Powis in March 2019 to raise concerns.
- Having worked in 2017 with the National Joint Registry in the development of its ‘Transparency and Accountability’ framework, we began to undertake a scheme of Elective Care Reviews for hospitals in difficulty during 2018. During the year, the first three reviews were undertaken, and a further one was booked for early 2019. Our existing scheme of Hip Fracture Care Reviews has continued also, and two such reviews took place in 2018. Both these programmes provide key opportunities for us to support surgeons and other team members whose performance data causes concerns, with the aim of improving care for patients.
- Tariff developments: we have again had significant influence in discussions about the impact of tariff changes on orthopaedics, and have participated in meetings with representatives from NHS Improvement on this.
- Consultations: we have responded to a number of consultations by public bodies, including NICE Guideline consultations and NHS England.
- New or revised guidelines published in 2018:
 - BOAST on ‘The Management of Pelvic Fractures’ (January 2018)
 - Updated BOA and BSSH guidance: Best practice for management of Distal Radial Fractures (DRFs) (May 2018)
- We have continued active engagement with PHIN (Private Healthcare Information Network) in relation to publication of private data. We updated our position statement during the year, particularly in relation to the publication for the first time of consultant-level publication of data in July 2018 and about improvements to data collection and categorisation. We have an ongoing dialogue with PHIN and have held meetings with PHIN and FIPO (Federation of Independent Practitioner Organisations) on various aspects of this programme.

Training and Education

- We received a significant number of high calibre candidates for National Clinical Leaders programme. Many of these were drawn from specialist societies.
- We continue to provide travelling fellowships for members who are home associates or SAS members, offering unique opportunities to develop skills and learn techniques in other settings around the world. Various organisations and individuals generously provide sponsorship for the BOA Travelling Fellowships.
- Existing courses, including TOTs (Training Orthopaedic Trainers), TOES (Training Orthopaedic Educational Supervisors) and the Instructional Course, continue to be popular and successful – with 315 attendees in total in 2018. Our e-TOES course entered its second year and has been very well received by participants.
- We undertook a new ‘Bootcamp’ course for trainees, made possible by an educational grant from Zimmer Biomet. The two courses of 2018 received extremely positive feedback from delegates, and the programme is being refined and expanded for 2019.

- The UK in training examination (UKITE) ran in December with record numbers in the UK and exam in South Africa held in January 2019. The delivery of the examination was very smooth and issues experienced in 2017 in some sittings at the height of demand were not repeated, following changes made to suppliers and details of delivery mechanisms. In total 760 took the exam in the UK and Ireland and a further 144 in South Africa.
- Our annual congress grew in strength with 2,578 registrants across the four days. A varied programme provided something for all levels of membership including revalidation sessions organised by many of the BOA's affiliated specialist societies, free paper sessions and sessions directly supporting medical students. Building on their work on bullying and harassment BOTA delivered a stand out session entitled #ActItOut to demonstrate unacceptable workplace behaviours, their impact and potential ways to deal with them. The session which re-produced real life scenarios as evidenced from BOTA and BOA surveys. The session didn't pull any punches but delivered a serious message with insight and humour. A session was also held on Elective Care Restrictions: Impacts, Analysis and Action, which hit home as patient speakers relayed the true impact of delays to operations.

Patient Liaison Group

- The BOA is keen to ensure that it has a clear and focused patient involvement and engagement strategy and that input is facilitated in the most effective way, enhancing the work of the BOA but also utilising patient time and experience effectively.
- During the course of the year we undertook a review of all committees including the PLG to explore different options for delivery, including partnerships with other organisations and the development of patient case studies to support the delivery of key messages in the media and with Government.
- After deliberating at some length, we decided that it would be appropriate to disband the current PLG framework, including the committee and the corresponding group, and start anew once we have determined the most appropriate format for patient involvement and engagement for the BOA. While we are determining the framework for patient involvement and engagement, we have retained Judith Fitch to sit as a patient member on Council to allow for patient input into key discussions and policy development.

Research

- We continued our funding of the BOA Orthopaedic Surgery Research Centre (BOSRC) at the University of York, which provides support for the development of new multi-centre clinical trials in trauma and orthopaedics. Over 2018, one study finished recruitment, three started recruitment and funding for one more was successfully secured. In total over the duration of BOA support, the BOSRC has now secured a total of £9.3m for such studies.
- Close working with the James Lind Alliance led to the award of three grants (each for £4000) for new Priority Setting Partnerships (PSPs). These were:
 - A partnership with the British Association for Surgery of the Knee (BASK) on the subject of revision knee replacement surgery.
 - A project on foot and ankle orthopaedics in collaboration with BOFAS.

- A paediatric orthopaedic PSP in partnership with BSCOS relating to paediatric orthopaedic lower limb surgery.
- Ongoing liaison with National Institute of Health Research and Versus Arthritis on issues regarding research prioritisation has led to NIHR conducting a major survey to identify and update the priorities for future research in Elective Orthopaedic Surgery. In 2018 we welcomed a grant call from Versus Arthritis that included several of the priority areas highlighted in this work, and we have identified opportunities for close working with this organisation moving forward into 2019.
- The main fundraising objectives of the BOA are to directly support the research grant programme. This is done predominantly through membership donations, regular donations, two cash appeals during the year and sponsored sporting activities, in 2018 these activities raised £115k (2017 £161.7k).
- All fundraising activities for the BOA are carried out by the Association staff. The Association does not use professional fundraisers or have any commercial participators. All fundraising activities are managed by Exhibitions and Sponsorship coordinator and are monitored by the Head of Events and the COO, with overall oversight by the trustees.
- No complaints relating to fundraising activities have been received by the Association during this financial period. However, the Association has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Director of Communications and Operations. Any continuing issues would then be passed to the trustees to determine what further action might be required.
- The Association does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operation and management of its fundraising activities. In particular, the Association considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property.

Future developments

In 2019 we continued the review of our strategy and governance review. Some of this work has not progressed as quickly as anticipated, mainly due to the impact of the introduction of the new membership database and the new website which is now fully operational. Work is still ongoing on developing a forward vision for the BOA for the next 5-10 years which clearly demonstrates the role and relevance of the BOA to members, patients and key stakeholders.

The focus for 2019 will be on the following areas of activity:

- A continuing increase in our membership with a particular focus on SAS surgeons who remain an under-represented cohort.
- Development of BOA support for Women in Surgery Initiatives
- Development of a clear and focused patient involvement and engagement strategy and associated delivery framework
- A focus on new and innovative benefits for our members.

- Review and development of fundraising approach to provide greater cross organisational opportunities and maximise income.
- Continued delivery of BOA Elective Care and NHFD Reviews with a view to developing lessons learned outputs
- Development of our suite of audit standards (BOASTs) while these have until now focused on trauma, the remit will be expanded to cover elective care as well. Several trauma BOASTs are in the pipeline for publication in 2019, and we hope to publish our first elective BOASTs during the course of the year.
- Further collaborative work with NHS Improvement, Digital and England in relation to the current tariff setting methodology for T&O procedures.
- Having joined forces with other bodies such as ARMA and Versus Arthritis in 2018 to speak out about barriers patients are facing that prevent or delay access to effective orthopaedic treatment, we will continue this work in 2019, including a parliamentary dinner in early 2019 to raise these issues with MPs. We will continue to work with the media and speak out on behalf of patients about these issues.
- A review of how we can engage with our members at local level and the most appropriate mechanisms.
- Continuing support to ARMA in the development of broader MSK networks: the focus here remains on knowledge sharing, competencies of the community based multidisciplinary MSK team, data and metrics, and generic pathways.
- Continuing constructive engagement with the Private Healthcare Information Network (PHIN) in order positively to shape their approach to fee publication for consultants in private practice, which is due to take effect in 2019.
- A comprehensive programme of CPD for T&O surgeons at our Congress in Liverpool and further continuous improvement of our instructional course for trainees, which takes on a new format in 2019.
- Enhancement of the UK In Training Exam (UKITE) to ensure quality assurance of the process.
- Delivery of our revised structure for 'BOA Bootcamps' running separate sessions to focus on cadaveric and human factors. A post event review will inform the potential for development of delivery models which can be run locally.
- Further engagement in the research sphere in relation to BOSRC, priority setting partnership activities and liaison with NIHR and Versus Arthritis as we continue to leverage increasing influence in the field of trauma and orthopaedic research.
- Continued enhancement and development of our membership support utilising the new CRM and website aimed at improving the member experience and increasing engagement and interaction with the BOA.

Financial Review

Overall we made a loss of £477k this was in part due to withdrawing £585k from our general investment fund to cover the costs of our new database and website and some exceptional other costs incurred during the year.

Incoming Resources

There was a total increase in income in 2018 of £208.6k, this is an increase in unrestricted income of £223k and a decrease in total restricted income of £14.3k compared to the 2017 figures.

Restricted legacy income decreased from £96.5k in 2017 to £5.4k in the year, a decrease of £91.1k. Unrestricted legacy income of £1.9k was received in 2018 (2017: £20.3k).

Legacy income is variable but 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.

Income derived from fundraising activities decreased by £46.7k to £115k (2017: £161.7k). Investment income from bank interest deposits and dividends received decreased by £2.8k from £137k in 2017 to £134k in 2018. Dividend income decreased by £2.8k.

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

- Membership income increased in 2018 as our membership grew.
- The Annual Congress income increased by £34k due an increase in attendance at our centenary meeting in Birmingham.

Resources expended

There was a small increase in fundraising expenses in the year of £19k from £73k to £92k.

There was a total increase in expenditure in 2018 of £214.5k, this is an increase in unrestricted expenditure of £251.8k and a decrease in restricted expenditure of £37.3k compared to 2017. This is attributable principally to:

- Higher venue hire costs for our Annual Congress held in Birmingham compared to Liverpool
- Hosting for the ABC and ASG fellowships in the UK

Summary

In conclusion, the result for the year before net investment gains was a deficit of £194.8k in contrast to a loss in 2017 of £189.1k.

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 between £1.2 - £1.5 million; and
- maintain funds to cover future strategic developments.

Having aimed for an unrestricted reserve total of £2.6 million at the end of 2018 our actual reserve was £2.5 million (2017: £2.9 million). This includes free reserves of £1.9 million. Having reviewed the position, our Trustees are satisfied that this level of reserves is appropriate, given the economic outlook.

The BOA also has restricted reserves of £1.9 million and endowment reserves of £1.3 million. More detail is provided on page 34

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 recognised Investment Exchange, unit trusts, and OEICs (open ended investment companies) which are authorised 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 Performance

The ARC Steady Growth Index which represents average charity performance had a growth of -4.9% (net of fees) for 2017. The total of all the BOA funds had a growth of -3.9% for 2018.

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. For each of the non-cash funds we have adopted a cautious, balanced approach and will continue to do so throughout 2018 with a focus on longer term returns.

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 in the year was £67.6k (2017: £74.7k).

Restricted investment income

Restricted investment income of £66.5k (2017: £62.3k) 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 £13.6k (2017: £13.2k)
- Investment income from the Soli Lam Endowment Fund was £38.3k (2017: £35.8k)
- Investment income from the Ram Kumar Chatterjee Fund was £14.6k (2017: £13.3k)

Risk Management

The trustees have overall responsibility for managing the risks of the charity, ensuring that the risk appetite of the association is fully understood and reflected in our practices and processes.

The major risks are considered to be:

Area	Risk	Mitigation
Membership	Loss of Membership Subscription Income - economic pressures and general perceptions of reduced BOA relevance, effectiveness and member focus result in significantly reduced subscription income	<ul style="list-style-type: none"> • Sustained external and internal communications focus through the Journal of Trauma and Orthopaedics (JTO), monthly newsmails and Presidential mails. • Enhanced online support for members through new CRM and members online self service area with members through investment in Integra database • Improved membership application process new CRM in tandem with innovative combined membership and free Congress registration offer • Continued to focus on and enhance SAS, Allied Health Professional and Medical Student offering • Increased social media presence • Engagement at Specialist Society meetings through the BOA exhibition stand and Executive member presence
Financial	<p>A reduction in the value of investment assets is sufficient to undermine the charity's strategic objectives</p> <p>Expenditure on project exceeds budget undermining financial stability.</p>	<ul style="list-style-type: none"> • Use of investment company to monitor investment assets and adjust according trustee approach to risk and the current financial need of the BOA • Trustee approval required for new or expansion of major projects • Monthly finance reports against agreed priorities enable effective management of income and expenditure
Operational	Processing failures, fraud, or major incidents, impede the charity's ability to function effectively, and thus to deliver its charitable objectives.	<ul style="list-style-type: none"> • Fraud awareness in all staff • Development of core process documentation to support all areas • Robust IT approach through outsourced providers including, infrastructure, new website and new CRM • Appropriate insurance arrangements in place

Compliance	A failure to comply with charity law, the general law, and the founding Trust Deed, compromises the charity's status and its future.	<ul style="list-style-type: none"> • Robust HR policies and procedures and support via external providers • GDPR training undertaken by all staff and policies in place • Review of compliance with Charity Governance code underway
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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.

A renewed focus on strategic and operational risks, will follow the development and implementation of the new strategy, together with new mechanisms for recording and enhanced reporting to the trustee body.

Grant Policy

As described in last year's report, our grant policy changed in 2014 when we shifted from a focus on small pump priming grants for basic science research to a single consolidated grant of circa £60k per annum over a three year period to fund the BOA Orthopaedic Surgery Research Centre (BOSRC) at the York Trials Unit. The aim of the BOSRC is to increase substantially the profile of T&O research

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.

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 regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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 its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

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

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

So far as each trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a company director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This report was approved by the trustees of the Charity on 12 June 2019, in their capacity as company directors, and signed on its behalf by the Honorary Treasurer, John Skinner and Past President, Ananda Nanu.



Philip Turner MBChB, FRCS, FRCSEd, FFSEM(UK), FFST(Ed)

BOA President

Date of approval: 12 June 2019

Independent Auditor's Report to the Members of The British Orthopaedic Association

Opinion

We have audited the financial statements of The British Orthopaedic Association for the year ended 31 December 2018 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our

opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for

such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Use of our report

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



Andrew Thomas

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date 29 July 2019

Statement of Financial Activities

British Orthopaedic Association: Statement of Financial Activities (including income and expenditure account) for the year ended at 31 December 2018

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
		£'000	£'000	£'000	2018 £'000	2017 £'000
Income and endowments from:						
Voluntary income:						
Donations and legacies		2.0	120.5	-	122.5	278.5
Charitable activities:						
Membership		1,313.0	39.8	-	1,352.8	1,214.2
Education		1,000.1	347.8	-	1,347.9	1,191.3
Professional Practice		109.6	20.0	-	129.6	103.1
Representation		44.3	-	-	44.3	-
Other Trading Activities		9.4	1.3	-	10.7	9.3
Investment Income	2	67.6	66.6	-	134.2	137.0
Total income and endowments		2,546.0	596.0	-	3,142.0	2,933.4
Expenditure on						
Raising funds		21.5	102.2	23.1	146.8	126.7
Charitable activities:						
Membership		457.0	3.7	-	460.7	433.6
Education		1,609.2	306.9	-	1,916.1	1,744.4
Professional Practice		382.0	7.1	-	389.1	387.8
Representation		142.0	-	-	142.0	118.1
Research		18.9	-	-	18.9	6.8
Grants		-	110.0	-	110.0	132.2
Other Trading Activities		152.3	0.9	-	153.2	117.0
Other Costs		-	-	-	-	55.9
Total expenditure	3	2,782.9	530.8	23.1	3,336.8	3,122.5
Net Gains/(losses) on investment		(153.8)	(32.5)	(96.4)	(282.7)	323.1
Net movement in funds	5	(390.7)	32.7	(119.5)	(477.5)	134.0
Transfer between funds		(5.0)	177.1	(172.1)	-	-
Total funds brought forward		2,896.6	1,882.7	1,363.4	6,142.7	6,008.7
Total funds carried forward	12	2,500.9	2,092.5	1,071.8	5,665.2	6,142.7

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 numbered 1 to 17 form part of these financial statements.

Balance Sheet

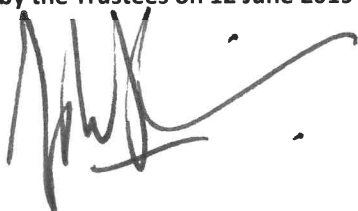
(Company Registration No. 3482958)

British Orthopaedic Association Balance Sheet as of 31 December 2018

	Note	BOA 2018 £'000	BOA 2017 £'000
Fixed assets			
Tangible assets	6	-	-
Intangible assets	7	224.3	38.9
Investments	8	3,624.9	4,566.8
		3,849.2	4,605.7
Current assets			
Stocks		10.4	13.2
Debtors	9	528.8	774.8
Cash at bank and in hand		1,953.2	1,541.7
		2,492.4	2,329.7
Creditors: Amounts falling due within one year	10	(676.4)	(792.7)
Net current assets		1,816.0	1537.0
Creditors: Amounts falling due after more than one year		-	-
Net assets or liabilities excluding pension asset or liability		1,816.0	1,537.0
Total net assets or liabilities		5,665.2	6,142.7
Represented by:			
Unrestricted funds		2,500.9	2,896.6
Restricted funds		2,092.5	1,882.7
Endowment Funds		1,071.8	1,363.4
Total Funds	12	5,665.2	6,142.7

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard (FRS102) (effective 01 January 2015)

Approved by the Trustees on 12 June 2019 and signed on its behalf by:



Trustee

John Skinner MBBS, FRCS, FRCS (Orth)



Trustee

Philip Turner MBChB, FRCS, FRCSEd, FFSEM(UK), FFST(Ed)

The accompanying notes numbered 1 to 17 form part of these financial statements

Cash Flow Statement

British Orthopaedic Association Statement of Cash Flows For the year ended 31 December 2018

	<u>2018</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>
Cash flows from operating activities:		
Net cash used in operating activities (Note 1)	(157.2)	(174.6)
Cash flows from investing activities:		
Dividends and interest from investments	134.2	137.0
Proceeds from the sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	(224.7)	(38.8)
Proceeds from sale of investments	1,598.7	488.3
Purchase of investments	(939.5)	(488.4)
Net cash provided by (used in) investing activities	568.7	98.1
Change in cash and cash equivalents in the reporting period	411.5	(76.5)
Cash and cash equivalents at 1 January (Note 2)	1,541.7	1,618.2
Cash and cash equivalents at 31 December (Note 2)	1,953.2	1,541.7
Note 1 to the cash flow statement	2018 £'000	2017 £'000
Reconciliation of changes in resources to net cash inflow/(outflow) from operating activities		
Net income / (expenditure) for the year per the SOFA	(477.5)	134.0
Adjustments for:		
Depreciation charges	39.3	22.6
Losses/(gains) on investments	282.7	(323.1)
Dividends and interest from investments	(134.2)	(137.0)
Loss/(profit) on the sale of fixed assets	-	-
Decrease/(increase) in stocks	2.8	(4.0)
Decrease/(increase) in debtors	246.0	(48.4)
(Decrease)/increase in creditors	(116.3)	181.3
Net cash used in operating activities	(157.2)	(174.6)
Note 2 to the consolidated cash flow statement	2018 £'000	2017 £'000
Analysis of Cash and Cash equivalents		
Cash at bank and in hand	1,953.2	1,541.7
Total Cash and Cash equivalents	1,953.2	1,541.7

The accompanying notes numbered 1 to 17 form part of these financial statements

Notes to the Financial Statements

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) Company information:

The Charity is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 12 December 1997 (company number: 3482958) and registered as a charity on 19 December 1997 (charity number: 1066994).

b) Basis of preparation

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

The functional currency of the Charity is considered to be GBP because that is the currency of the primary economic environment in which the Charity operates.

After reviewing the Charity's forecasts and projections, the trustees have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

c) Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

d) 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.

e) 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.

f) 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 34 for further details.

g) 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 probable and when the amount can be quantified with sufficient reliability.

h) Expenditure

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.

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.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements. They are included within the statement of financial activities as a separate component of support costs.

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.

i) 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.

j) 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

k) Intangible fixed assets

Intangible fixed assets costing more than £1,000 have been capitalised. Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight line basis over the period which revenue is expected to be generated (3 years).

Amortisation is recognised in the statement of financial activities as part of expenditure and is allocated across the expenditure headings on the same basis as Support & Governance costs.

l) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m) Pensions

The British Orthopaedic Association is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole; the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017. It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The British Orthopaedic Association accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102. The Trustee and Employers have agreed that the Technical Provisions deficit as the 31 March 2014 valuation will be addressed by the employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2020 (inclusive). The defined benefit liability to be recognised by The British Orthopaedic Association in respect of the deficit contributions due to SAUL (i.e. the present value of the deficit contributions) is £24,165 as at 31 December 2018. This liability is based on a projection of Salaries over the period to 31 March 2020.

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.

o) Financial instruments

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

Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost except for investments which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities.

Note 2: Investment income

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

	2018	2018	2018	2017
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000
Government Bonds	2.0	1.6	3.6	2.8
Bonds	8.0	6.6	14.6	20.2
Equities	57.6	58.4	116.0	114.0
Total dividends receivable	67.6	66.6	134.2	137.0
	67.6	66.6	134.2	137.0

Note 3: Expenditure

	Direct	Grants	Staff	Other Staff	Support	Total	Total
	Costs		Costs	Costs	Costs	Costs	Costs
			(Note 15)		(Note 4)	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on:							
Fundraising	47.7	-	23.5	2.3	73.3	146.8	73.1
Charitable activities:							
Membership	349.7	-	25.4	2.5	83.1	460.7	433.5
Education	1,032.3	-	208.4	20.4	654.9	1,916.0	1,744.4
Professional Practice	51.7	-	79.8	7.8	249.8	389.1	387.8
Representation	121.8	-	4.8	0.5	14.9	142.0	118.1
Research	1.2	-	4.2	0.4	13.1	18.9	6.8
Grants	-	102.1	1.9	0.2	5.8	110.0	132.2
Investments *	-	-	-	-	-	-	53.7
Other Trading Activities	45.6	-	33.1	3.2	71.4	153.3	117.0
Other Costs	-	-	-	-	-	-	55.9
Total expenditure	1,650.0	102.1	381.1	37.3	1,166.3	3,336.8	3,122.5
Expenditure in support of activities	507.9	-	599.7	58.7	(1,166.3)	-	-
	2,157.9	102.1	980.8	96.0	-	3,336.8	3,122.5

*Investment costs moved to raising funds line in 2018

Note 4: Support costs

	Premises	Office	IT &	Finance	Sundry	Governance	BHS Support Costs	2018 Total	2017 Total
	£'000	Man £'000	Comms £'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on:									
Raising funds	5.2	10.7	31.9	1.6	1.2	22.7	-	73.3	20.6
Charitable activities:									
Membership	5.8	11.7	34.4	1.6	1.3	24.6	3.7	83.1	55.3
Education	47.4	95.5	282.2	13.6	10.4	201.7	4.0	654.8	273.4
Professional Practice	18.2	36.6	108.1	5.2	4.0	77.3	0.4	249.8	106.1
Representation	1.1	2.2	6.6	0.3	0.2	4.6	-	15.0	10.1
Research	1.0	1.9	5.6	0.3	0.2	4.1	-	13.1	1.7
Grants	0.4	0.9	2.5	0.1	0.1	1.8	-	5.8	4.8
Investments	-	-	-	-	-	-	-	-	6.2
Other	7.6	15.2	44.8	2.2	1.7	-	-	71.5	36.8
Total Expenditure	86.7	174.7	516.1	24.9	19.1	336.8	8.1	1,166.4	515.0

Governance Costs

	2018	2017
	£'000	£'000
Professional Fees	15.8	10.6
Travel and subsistence	56.3	32.5
Staff Costs	89.3	103.9
Support Costs	175.4	69.1
	336.8	216.1

Grants Awarded

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

	2018	2017
	£'000	£'000
Outstanding liabilities at the start of the year	79.3	112.1
Awarded during the year	74.1	75.8
Benevolence grants awarded during the year	27.9	42.3
	181.3	230.2
Paid during the year	(72.4)	(150.9)
Cancelled grants	(12.0)	(80.8)
	96.9	(1.5)
Grants falling due within one year	58.2	79.3
Grants falling due after more than one year	-	-
	58.2	79.3

During the year we awarded four research grants totalling £74,145 and two benevolent grants totalling £27,900. The research grants were: one to BOSRC (£62,145) and three for James Lind Alliance Priority Setting Partnerships (each of £4000 and discussed in the Annual Report section on Research on page 13-14). The BOSRC grant is awarded to University of York as part of a 3 year grant (2017-2020) and for which the expected grant amount in 2019 will be £63,855, which is awarded subject to receiving a satisfactory annual progress report from the grant-holder.

Note 5: Net incoming resources

	2018	2017
	£'000	£'000
Net incoming resources are stated after charging:		
Audit fees	32.3	17.5
Depreciation / Amortisation	39.3	22.6
Operating lease rentals: plant & machinery	7.1	14.4
Operating lease rentals: other	77.4	99.4
	156.1	153.9

Note 6: Tangible fixed assets

	Office equipment £'000	Office refurbishment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2018	9.0	138.0	10.4	157.4
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2018	9.0	138.0	10.4	157.4
Depreciation				
At 1 January 2018	9.0	138.0	10.4	157.4
Charges for the year	-	-	-	-
Disposals	-	-	-	-
At 31 December 2018	9.0	138.0	10.4	157.4
Net book value				
At 31 December 2018	-	-	-	-
At 31 December 2017	-	-	-	-

Note 7: Intangible fixed assets

	Website £'000	Database £'000	Total £'000
Cost			
At 1 January 2018	17.1	89.6	106.7
Additions	54.2	170.5	224.7
Disposals	-	-	-
At 31 December 2018	71.3	260.2	331.4
Depreciation			
At 1 January 2018	-	67.8	67.8
Charge for year	17.7	21.6	39.3
Disposals	-	-	-
At 31 December 2018	17.7	89.4	107.1
Net Book value			
At 31 December 2018	53.6	170.8	224.3
At 31 December 2017	17.1	21.8	38.9

Note 8: Investments

	2018 £'000	2017 £'000
Market Value at 1 January 2018	4,566.8	4,243.6
Additions at cost excl. S/Brokers cash	939.5	488.4
Disposals at market proceeds	(1,598.7)	(488.3)
Net investment (loss)/gain	(282.7)	323.1
Market value at 31 December 2018	3,624.9	4,566.8
Historical Cost at 31 December 2018	2,931.1	3,409.7

Investments held with Investec Wealth & Investment

	2018		2017	
	£'000	%	£'000	%
Fixed Interest	676.8	19%	776.7	17%
UK Equities	1,510.8	42%	2,086.2	46%
Overseas Equities	848.0	23%	1,072.6	23%
Property	306.4	8%	327.7	7%
Alternative Assets	282.9	8%	303.6	7%
Market value at 31 December 2018	3,624.9		4,566.8	

Note 9: Debtors

	2018 £'000	2017 £'000
Trade Debtors	246.1	151.4
Other debtors	6.8	27.4
Prepayments	157.1	224.0
Accrued Income	74.6	328.5
Value added tax	-	7.4
Gift Aid recoverable	42.3	31.5
Members' subscriptions in arrears	1.9	4.6
	528.8	774.8

Debtors include a Bad debt provision of £56k (2017: £48.2k)

Bad debts written off in 2018 £0 (2017: £87.6k)

Note 10: Creditors; amounts falling due within one year

	2018	2017
	£'000	£'000
Trade Creditors	152.4	126.7
Social Security	35.5	28.2
Sundry Creditors	90.3	107.8
Accruals	213.7	285.7
Deferred Income	106.6	186.0
JA Research grants	77.4	58.3
Value Added Tax	0.5	-
	676.4	792.7

Movement on deferred income

	Total
	2018
	£'000
1 January 2018	185.9
Released in the year	(185.9)
Deferred in the year	106.6
	106.6

In 2018, the deferred income of £76k related to course registrations for courses due to take place in the first quarter of 2019, £8k related to elective care reviews and £22.3k related to membership subscription income.

Note 11: Net assets by funds

	Intangible	Fixed assets	Other net	Total 2018
	fixed assets	investments	assets	
	£'000	£'000	£'000	£'000
Unrestricted funds	224.3	1,896.5	380.1	2,500.9
Restricted funds	-	423.7	1,668.8	2,092.5
Endowment funds	-	1,304.7	(232.9)	1,071.8
	224.3	3,624.9	1,816.0	5,665.2

Comparative net assets by fund

	Intangible	Fixed assets	Other net	Total 2017
	fixed assets	investments	assets	
	£'000	£'000	£'000	£'000
Unrestricted funds	38.9	2,667.6	190.1	2,896.6
Restricted funds	-	495.1	1,387.6	1,882.7
Endowment funds	-	1,404.1	(40.7)	1,363.4
	38.9	4,566.8	1,537.0	6,142.7

Note 12: Total funds

	1-Jan-2018	Income	Expenditure	Transfers between funds	Net investment gain/(loss)	31-Dec-2018
	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	2,896.6	2,546.0	(2,782.9)	(5.0)	(153.8)	2,500.9
Restricted Funds						
Benevolent Fund	540.0	13.7	(39.8)	-	(32.5)	481.4
Research Fund	1,230.0	120.4	(172.4)	-	-	1,178.0
Casting Co-ordinator	8.1	6.6	(3.7)	-	-	11.0
Howard Steel Foundation	37.8	-	(3.9)	3.9	-	37.8
Naughton Dunn Memorial Lecture Fund	7.2	-	(0.4)	0.4	-	7.2
Grants	11.6	-	-	-	-	11.6
British Hip Society	45.5	294.2	(205.8)	-	-	133.9
Soli Lam Spinal Fellowship	-	14.2	(1.8)	44.1	-	56.5
Soli Lam Orthopaedic Fellowship	-	24.2	(3.7)	82.6	-	103.1
Chatterjee Fellowship	-	14.6	(1.7)	45.4	-	58.3
Zimmer Fellowship	2.5	101.6	(90.4)	-	-	13.7
Andrew Sprowson Fellowship	-	1.5	(1.5)	-	-	-
ABC Fellowship	-	5.0	(5.7)	0.7	-	-
	1,882.7	596.0	(530.8)	177.1	(32.5)	2,092.5
Endowment Fund						
Chatterjee Fund	370.4	-	(8.9)	(45.4)	(26.4)	289.7
Soli Lam Spinal Fellowship Fund	313.5	-	(5.2)	(44.1)	(25.9)	238.3
Soli Lam Orthopaedic Fellowship Fund	679.5	-	(9.0)	(82.6)	(44.1)	543.8
	1,363.4	-	(23.1)	(172.1)	(96.4)	1,071.8
	6,142.7	3,142.0	(3,336.8)	-	(282.7)	5665.2

Comparative total funds

	1-Jan- 2017	Income	Expenditure	Transfers between funds	Net investment gain/(loss)	31-Dec- 2017
	£'000	£'000	£'000	£'000	£'000	£'000
General Funds	2,893.4	2,323.1	(2,531.2)	-	211.3	2,896.6
Restricted Funds						
Benevolent Fund	547.3	13.2	(52.2)	-	31.7	540
Research Fund	1,163.0	215.8	(148.7)	-	-	1,230.0
Casting Co-ordinator	-	11.0	(2.9)	-	-	8.1
Howard Steel Foundation	40.0	-	(2.2)	-	-	37.8
Naughton Dunn Memorial Lecture Fund	7.6	-	(0.4)	-	-	7.2
Grants	11.6	-	-	-	-	11.6
British Hip Society	54.3	278.2	(287.0)	-	-	45.5
Zimmer Fellowship	1.6	17.5	(16.6)	-	-	2.5
Singhal Fellowship	-	1.5	(1.5)	-	-	-
Andrew Sprowson Fellowship	-	1.5	(1.5)	-	-	-
ABC Fellowship	-	22.5	(22.5)	-	-	-
London Implant Retrieval Centre	12.0	-	(12.0)	-	-	-
	1,837.4	561.2	(547.5)	-	31.7	1,882.7
Endowment Fund						
Chatterjee Fund	351.2	13.3	(12.7)	-	18.6	370.4
Soli Lam Spinal Fellowship Fund	295.0	13.2	(17.4)	-	22.7	313.5
Soli Lam Orthopaedic Fellowship Fund	631.7	22.6	(13.6)	-	38.8	679.5
	1,277.9	49.1	(43.7)	-	80.1	1,363.4
	6,008.7	2,933.4	(3,122.4)	-	323.1	6,142.7

Note 12: Total funds (cont.)

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.

Joint Action (JA) Research Fund

Joint Action was established to raise funds for orthopaedic research and to award grants to successful applicants.

E-Learning Fund

This fund was originally received to fund the development of the electronic logbook for trainees. The remaining funds have been used to fund the development of the e-learning platform.

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.

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.

Grants (ex Wishbone)

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

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 within the BOA accounts.

Other restricted funds

From time to time we receive funds for specific purposes. In this year they include the, the ABC, Zimmer, Singhal and Andrew Sprowson travelling fellowships and Quality Outcomes.

Endowment Fund

An endowment of £300.0k 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 Spinal fellowship dependent on the returns from the capital. An endowment legacy of £529.1k was received from the estate of Mr Soli Lam in 2013; the income from this endowment is to support an annual traveling orthopaedic fellowship.

Transfers

During 2018 the income from the permanent endowment funds for the Soli Lam and Chatterjee Fellowships were transferred to restricted funds. The restricted fund for the ABC fellowship exceeded the funding held as a result the BOA General funds covered the extra costs. The restricted funds for Howard Steel and Naughton Dunn did not incur any income to cover the costs as a result the BOA General fund covered the costs.

Note 13: Operating lease commitments

At 31 December 2018 the Association had annual commitments under non-cancellable operating leases as follows:

	2018		2017	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Payment date:				
Within one year	77.4	6.4	77.4	3.2
Between two and five years	109.6	-	187.0	-
Over five years	-	-	-	-
	187.0	6.4	264.4	3.2

During 2018 we paid rent and services charges to the Royal College of Surgeons and a photocopying lease to Siemens.

Note 14: Financial instruments

	2018 £'000	2017 £'000
Assets at amortised costs		
Cash	1,953.3	1,541.7
Trade debtors	246.1	176.6
Other debtors	6.8	27.4
Accrued income	74.6	328.5
Member subscription debtors	1.8	4.7
	2,282.6	2,078.9
Liabilities at amortised costs		
Trade creditors	152.4	126.7
Accruals	213.6	262.2
Other Creditors	166.7	166.1
	532.7	555.0
Assets at fair value		
Investments	3,624.9	4,566.8

Note 15: Staff Costs

	2018	2017
	£'000	£'000
Wages and salaries	736.4	745.5
Social Security costs	65.1	77.1
Pension costs	78.1	123.7
Other staff costs	101.2	27.7
	980.8	974

In 2018, redundancy and termination payment totalling £67.3k were made to an ex-employee (2017: £31.9k). Termination payment totals now include National Insurance payments.

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

	2018	2017
	Number	Number
£60,000 - £70,000	1	2
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1
£90,000 - £100,000	-	-
£100,000 - £110,000	-	-
£110,000 - £120,000	1	-
	4	3

The total remuneration to key management for the year was £306.4k (2017: £376.4k)

The average number of persons employed by the charity (excluding council members), during the year was as follows:

	2018	2017
	Number	Number
Office and Administration	17.5	17

No Trustee received remuneration during the year (2017: Nil). Out of pocket expenses for travel, subsistence and accommodation paid to 17 Trustees (2017: 18) were £25.3k (2017: £40k). Trustee expenses invoiced directly to the British Orthopaedic Association for travel, subsistence and accommodation were £101.2k (2017: £53.5k) This includes outstanding amounts at the year-end of £4.6k (2017: £4k)

Pension Scheme

The British Orthopaedic Association participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on either a Final Salary basis or a Career Average Revalued Earnings ("CARE") basis.

The British Orthopaedic Association is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions did not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.

Accounting Policy

The British Orthopaedic Association is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole; the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The British Orthopaedic Association accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provisions surplus at 31 March 2017 there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the British Orthopaedic Association.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2017 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:

Latest actuarial valuation	31.03.2017	31.03.2014
Investment return per annum	1.96%	3.86%
Salary scale increases per annum	3.49%	3.72%
Pension increases per annum	2.49%	2.72%
Market value of assets	£3,205 Million	£1,927 Million
Liabilities at date of last valuation	£3,149 Million	£1,986 Million
(Deficit)/surplus in scheme	£56 million	(£59 million)
Proportion of accrued benefits covered by the actuarial value	102%	97%

The total pension cost for the Association was:	Year ended	Year ended
	31-Dec-18	31-Dec-17
	£'000	£'000
Contributions to SAUL	101.8	96.3
Other Pension Costs	1.5	3.8
Pension Deficit Provision	(25.2)	23.6
Total Pension cost	78.1	123.7

The employers contribute 13% of salaries plus an additional 3% toward to the pension deficit, staff members' contribute 6.0% of salaries.

It is not possible to identify the Association's share of the underlying assets and liabilities of the scheme. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are equal to the contribution payable for the year in accordance with FRS102.

Note 16: Related Parties

There have been no related party transactions in the reporting period that require disclosure.

Note 17: Comparative Statement of Financial Activity

British Orthopaedic Association: Statement of Financial Activities (including income and expenditure account) for the year ended at 31 December 2017

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2017
		£'000	£'000	£'000	£'000
Income and endowments from:					
Voluntary income:					
Donations and legacies		20.3	258.2	-	278.5
Charitable activities:					
Membership		1,199.8	14.4	-	1,214.2
Education		936.2	255.1	-	1,191.3
Professional Practice		83.1	20.0	-	103.1
Representation		-	-	-	-
Grant		-	-	-	-
Other Trading Activities		9.0	0.3	-	9.3
Investment Income	2	74.7	13.2	49.1	137.0
Total income and endowments		2,323.1	561.2	49.1	2,933.4
Expenditure on					
Raising funds		-	73.1	-	73.1
Charitable activities:					
Membership		432.1	1.5	-	433.6
Education		1,448.4	271.4	24.6	1,744.4
Professional Practice		382.1	5.7	-	387.8
Representation		118.1	-	-	118.1
Research		6.8	-	-	6.8
Grants		-	132.2	-	132.2
Investments		26.7	7.8	19.1	53.6
Other trading activities		117.0	-	-	117.0
Other		-	55.9	-	55.9
Total expenditure	3	2,531.2	547.6	43.7	3,122.5
Net Gains/(losses) on investment		211.3	31.7	80.1	323.1
Net movement in funds		3.2	45.3	85.5	134.0
Transfer between funds		-	-	-	-
Total funds brought forward		2,893.4	1,837.4	1,277.9	6,008.7
Total funds carried forward	12	2,896.6	1,882.7	1,363.4	6,142.7