Orthopaedic Research UK

Let's advance

Annual Report and Accounts 2023-24

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Orthopaedic Research UK

Reference and Administrative Details for the Year Ended 31 March 2024

Charity registration number	1111657
Company registration number	5585452
Trustees	Dr C J Ball Ms J Chong (appointed 26.5.23) Mr A H Downing (Chair) Mr M Gouldstone (resigned 21.3.24) Mrs S Harkness Mr P E Harrison (resigned 27.6.23) Professor M Reed (appointed 12.12.23) Professor N Rushton Mr J K Tucker (resigned 4.12.23)
CEO/CFO Executive Officer Senior management team	Dr A Angadji / Mrs C Barnard Mrs D Palmer Professor M Hurley Mr M Thomas Miss R Threadgold
Registered office	Furlong House 10a Chandos Street London W1G 9DQ
Principal place of operations	Furlong House 10a Chandos Street London W1G 9DQ
Auditor	Sayer Vincent Chartered Accountants & Statutory Auditors 110 Golden Lane London EC1Y 0TG
Solicitor	Weightmans 105 Fenchurch Street London EC3M 5JG
Bankers	National Westminster Bank Plc 10 Marylebone High Street London W1U 4BT
Investment managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Rathbone Brothers Plc 30 Gresham Street London EC2V 7QN

Message from our Chair

Impatience can be a virtue. We are a small charity set up to respond to an enormous societal challenge – the poor musculoskeletal (MSK) health affecting the lives of tens of millions of people across the UK. It represents the third largest area of expenditure for the NHS and is linked to rising levels of obesity, anxiety, isolation and depression.

Demand for MSK health services will only grow in an ageing society. This is why we are determined to accelerate the impact of our investments. There will always be a place for the funding of long-term research projects, which is why we will continue to be one of the largest funders of MSK research in the UK, but moving fast means increasing our investments in activities capable of delivering a more immediate impact.

Education is one area in which we can make a difference in days, as opposed to years. Healthcare professionals experiencing one of our training programmes can begin improving the lives of their patients from 'day one'. This is why we have further expanded our educational offer across an even wider range of healthcare specialities, including primary care, and enhanced our online offer.

The other area in which we have made significant progress in recent years has been in funding and supporting innovation. To even come close to addressing the demand for MSK health services we need a culture of innovation and a pipeline of technology solutions focused on solving MSK health challenges, especially those associated with ageing. We are following in the footsteps of our founder Ronald Furlong who combined a highly successful career as an orthopaedic surgeon with an equally successful career as a business entrepreneur. We need to embrace Furlong's spirit of entrepreneurialism because the scale of the challenges facing all of us involved in MSK health continue to require new ideas and techniques.

We will continue to invest in entrepreneurial people and organisations delivering breakthrough innovations, using The Ronald Furlong Fund to support the development of innovative and commercially viable ideas from UK-based start-ups. Our support for innovation has included partnerships with 'innovation enablers' such as MedTech SuperConnector (MTSC) and the *NHS Clinical Entrepreneur Programme*. The MSK Innovation Accelerator programme, hosted by MedTech SuperConnector, is a perfect example of how we deploy our investments to help create and scale early-stage MSK ventures across the UK.

Our decision to focus on the potential role of AI in supporting MSK health services has also been highly successful, leading to a series of discussion forums, educational programmes and investment from the NIHR and commercial sector. We may be a small charity, but we have proven our value as a facilitator, connector and enabler.

I would like to thank our Trustees for dedicating their time, energy, and expertise to support our executive team, and our executive team and the charity's many partners for an outstanding year.

Adrian Downing,
Chair of the Board of Trustees

Message from our Chief Executive

The dictionary definition of 'convening power' is the ability to initiate gatherings of individuals or groups to focus on a common purpose and to mobilise their collective resources to focus on a specific challenge. This is a good summary of the way in which our charity is able to make a difference. Our *MSK for the Workplace initiative* provided a perfect illustration of convening in action – we identified the impact of poor MSK health on employment (and by implication the nation's economic health) and brought together a wide range of organisations to identify problems and debate solutions.

During the kick-off meeting for the initiative we joked that we were probably the smallest organisation in the room, but that our neutrality (unlike most MSK charities we are not focused on a specific condition) and relatively limited executional capacity made us the perfect organisation to convene such an event.

We recently undertook an informal survey of our partners across the healthcare eco-system from the leading medical schools to other charities and the NHS and were pleased to hear that our role as convenors, collaborative partners and supporters was widely appreciated. This does not happen by accident: it reflects a deliberate strategy over the past few years to reach out to partners, support their initiatives and foster a culture of collaboration. Far too many charities operate in silos – determined to protect their own interests and wary of sharing activities and plaudits. This has not been our approach and is the reason why our many partnerships with academic institutions, charities, entrepreneurs, and major corporations have proven so productive. During the last year we received £2.2m in partner funding, including an award of over £750,000 from the Government to increase our support for early-career clinical researchers and academic scientists interested in building and expanding their MSK research portfolio.

We are proud of our heritage as a charity created by an orthopaedic surgeon and will continue to invest in breakthrough surgical innovation – 56% of our research grants since 2020 have been awarded to orthopaedic surgeons. However, with around 32% of the UK adult population (17.1 million people) experiencing poor MSK health and given the sheer scale of the MSK health challenges posed by an ageing population, we cannot focus simply on improvements to diagnosis and surgical intervention. We have therefore extended our research investments to include MSK wellbeing and prevention. This aligns us with the shifting focus of government and NHS England's from 'recovery' to 'prevention', with particular emphasis on 'alleviating pressure on the healthcare system' and 'reducing labour market inactivity.'

We continued to invest in research into the impact of the ESCAPE-pain programme, which remains an exemplar of community-based, non-surgical intervention. To encourage greater MSK literacy we co-funded RatLab, an educational, interactive show aimed at 7–11-year-olds, that introduces young people to biomechanics and the importance of bone, joint and muscle health.

Other important initiatives during the past 12 months have included the *MSK Innovation Accelerator programme* with Imperial College London's MedTech SuperConnector, the co-funding of an initiative to apply AI to MSK health as part of the NIHR's *Invention for Innovation (i4i) programme*, and a joint fellowship with The Daphne Jackson Trust to support individuals (in many cases, women) returning to research after a career break due to illness, caring or family responsibilities. We continued to work in close partnership with British Orthopaedic Medical Students Association (BOMSA) and British Orthopaedic Trainee Association (BOTA) to highlight the importance of MSK research and the opportunities that are available.

Our success in the past year owes much to the support of our partners within leading institutions including Association of Medical Research Charities (AMRC), Arthritis and Musculoskeletal Alliance (ARMA), the National Institute for Health and Care Research (NIHR), Royal College of Surgeons of England (RCSEng), the British Hip Society (BHS), Royal College of Surgeons of Edinburgh (RCSEd), British Orthopaedic Association (BOA), British Association for Surgery of the Knee (BASK), National Joint Registry (NJR), British Scoliosis Society (BSS), British Association of Spine Surgeons (BASS), Versus Arthritis, Information Governance Services (IGS), MedTec SuperConnector (MTSC), Impeller Ventures, Shionogi, NHS Clinical Entrepreneur Programme (NHS CEP) and the Daphne Jackson Trust. Together we will continue to make a difference.

Dr Arash Angadji,
Chief Executive

Our impact at a glance

(key performance indicators 2023/24)

Introduction

The trustees present their report and the audited accounts for the year ended 31 March 2024.

The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Information required to be disclosed under Schedule 7 of the Companies Act 2006 is disclosed within the Strategic Report, which starts on page 11.

Objectives and activities

Our principal, and over-riding, objectives are to promote the advancement of orthopaedic research and education and, in particular, the encouragement of innovation and partnership to advance knowledge and awareness of bone, joint and muscle health in the UK. These are the objects as set out in our governing document. Our specific aims and significant activities to achieve those principal aims are outlined below, along with the activities undertaken to achieve them.

To fund high quality research and innovation at centres of excellence in the field of musculoskeletal (MSK) medicine to support bone, joint and muscle wellbeing in the following areas:

1. **Underpinning:** understanding biological, psychological and socioeconomic processes.
2. **Aetiology:** risks, causes and development of health conditions.
3. **Prevention:** interventions to prevent disease, promote wellbeing and reduce risks of ill health.
4. **Detection and Diagnosis:** population screening, using new diagnostic technologies and biomarker discovery and development.
5. **Treatment Development:** translating basic research into experimental medicine in preclinical settings and/or model systems.
6. **Treatment Evaluation:** testing and evaluating interventions in human clinical/applied settings.
7. **Disease Management:** understanding patient needs and practitioner experiences.
8. **Health Services:** examining healthcare at an organisational level, such as service provision and economic and policy issues.

We funded 18 new research projects worth £1,062,804 in 2023/24, compared to 11 research projects worth £651,797 in 2022/23.

Along with other organisations involved in funding medical research, we have noted a reduction in the number of applications. We are part of a working group investigating the reasons for this decline. We also published a report into the factors behind this decline – Where have all the research applicants gone? What we discovered was a system under pressure from backlogs and workforce disputes, which is leading to competing priorities and a squeeze on research. In addition, clinical research appears to be less attractive as a career option because of financial pressures, a lack of career security, bureaucracy, a lack of support and what is described as 'a poor research culture'. Although we alone cannot address the structural and financial issues, highlighted in our report, we can make a difference by:

- Showcasing the important work of MSK researchers, especially the (real) people behind the projects.
- Providing mentoring support for researchers and potential researchers seeking advice beyond their clinical supervisors.

We publish the results of our research at the end of the studies to demonstrate the impact of our funding. Our measures for success are:

- Increased awareness of our research among professionals and patients.
- The nurturing of talent within the field of MSK medicine.
- The recruitment of advocates for our research within the broader MSK community.
- Securing co-funding from partners for our research projects.
- Translation of research results into measurable benefits for patients and the NHS through.
    a. an improvement to clinical practices and processes, for example, using the results from data analysis to improve planning and clinical decision-making or
    b. the creation of new products and services.

Our most significant co-funded project was an award of £769,616 from the Medical Research Council. In addition, we attracted approximately £2.2m from our other partners to co-fund research during 2023-24.

We use Researchfish to capture the outputs and impacts of the research we fund. This is an online system developed specifically for collecting research outputs on behalf of funding organisations and is used by hundreds of research funders across the world. It provides us with vital information about the impact of the research we fund, ensuring we have a comprehensive picture of the outputs from our research portfolio.

To fund education, primarily through workshops, training courses, lectures, virtual conferences, and webinars that will improve knowledge of prevention, diagnosis, treatment and the management of MSK conditions. Our ambition is to be the leading provider of continuous learning in MSK health in the UK and the first stop for MSK health education in the UK, starting with medical students.

During the past year we staged 53 events (not including ESCAPE-pain) compared to 56 events in 2022/23, and in total educated 3,757 healthcare professionals with the support of 490 faculty members. On average, 94% of participants rated our events as 'excellent' or 'good' in terms of educational value. Income from events was £253,601 in 2023/24 compared to £284,366 in 2022/23, and from ESCAPE-pain training £92,399 in 2023/24 compared to £95,263 in 2022/23.

Our blended learning model – a mix of online and face-to-face tuition – has enabled us to expand the range of our offer and reach a more diverse audience, including healthcare professionals in developing markets where affordability can be an issue.

We are increasing the number of interdisciplinary events to encourage more collaborative working and are involved in initiatives to address recruitment shortfalls in orthopaedics and orthopaedic research through training partnerships with the British Orthopaedic Medical Students Association (BOMSA) and British Orthopaedic Trainees Association (BOTA). We also worked with BOTA in an initiative to promote sustainability in orthopaedics and with the Royal College of Podiatry on a webinar series.

The ESCAPE-pain programme delivered the following during 2023/24:

- 21 training events, compared to 36 in 2022/23.
- 394 fitness professionals trained, compared to 454 in 2022/23.
- Around 280 sites are running the programme, which represents an increase of nearly 14% on the previous year.
- Since joining ORUK in 2021, the programme is estimated to have achieved savings of £4.5m for health and social care budgets.

ESCAPE-pain was a partner in the government funded MSK Hubs initiative, a national pilot programme to transform leisure centres, swimming pools, and gyms into MSK health hubs, designed and provided in collaboration between Good Boost, ukactive, Orthopaedic Research UK, ESCAPE-pain, and Arthritis Action. The results of the pilot study will be published in the second half of 2024.

To provide information about our charitable activities to the general public through publishing and funding awards and prizes for outstanding publications and presentations in the field of MSK. We have two books in publication which provide preparation aids for the FRCS (Orth) examinations and complement our basic science training courses. Sales to orthopaedic trainees of both publications form part of our fundraising strategy. They are available to buy online or at our course events. During the year we sold 62 books, a 20% decrease on the previous year, which is an expected result considering that the books were published some years ago. We are publishing another educational product aimed at primary care professionals in 2024 - *Managing Upper Limb Musculoskeletal Problems, A Companion Guide for Primary Care.*

Our three-year strategy

In addition to the over-arching objectives as outlined in the previous paragraph, our operating decisions were shaped by our 2020-2023 Strategy, which was built on 10 strategic initiatives:

1. Focus our investments on unmet patient needs and specifically on diagnosis and treatment – we do this by making funding available via The ORUK Inspiration Fund and The ORUK Early-career Research Fellowships which are designed to support innovative projects that meet unmet needs and help patients achieve a better quality of life. These are open to orthopaedic surgeons, scientists, and physiotherapists.

   During the past 12 months we have continued to fund high quality applicants across a wide range of research areas from rare MSK conditions and orthopaedic components to advanced imaging and data analytics.

2. Extend the impact of our investments and attract additional funding for orthopaedic health by partnering with other sources of grant giving.

   We partner with other organisations including the Royal College of Surgeons of England, the Royal College of Surgeons of Edinburgh, and the British Hip Society. By 'match-funding' we are able to support more of the MSK community than we would be able to do alone, and this funding is available via the Joint Partnership Fund.

3. Broaden our remit beyond pure orthopaedics to include the important surrounding ecosystem of orthopaedic wellbeing, including physiotherapy.

   We do this primarily through the delivery of the ESCAPE-pain programme, which:

   - Extends our focus beyond surgery to include education and research into the (non-surgical) management of MSK conditions – an essential requirement with surgical capacity unlikely to ever be sufficient to meet demand.
   - Enables us to respond to capacity constraints within the system by opening-up new modes of delivery within a non-healthcare setting (community and leisure centres).
   - Provides opportunities to collaborate with partners outside the health sector, such as Sport England, CIMSPA and private leisure operators, further growing the scale, reach and impact of our MSK community.
   - Aligns us with government priorities.

   Our educational programme has been broadened to embrace primary care professionals, physiotherapists, and allied disciplines.

4. Build an influencer network across the orthopaedic ecosystem including clinicians, academics, GPs, physiotherapists, specialist medical member associations, entrepreneurs, and investors.

   We measure the growth and vitality of our network by tracking:

   - The growth of our LinkedIn followers and their level of engagement in our posts – our followers increased by 49% during the past year, with an average engagement rate (factoring in likes, comments, shares) of 5-6% (a 'good engagement rate' on LinkedIn is around 2%).
   - The performance of our monthly email newsletter – beginning in December 2023 the email has achieved open rates of 44-49% (25-18% is considered 'good') and a click rate of 1.5 to 2.9% (2.5% is considered good). After the cleaning-up of our data to ensure it is fully compliant with GDPR, our database contains over 4k records.

5. Mobilise this influencer network to become a 'movement' that champions the importance of MSK health and the need for increased investment across the system.

   Our *MSK Health for the Workplace* initiative was a good example of how we mobilise our community to focus on the MSK health needs of the working age population, at a time when 2.5 million people are currently unemployed in the UK due to health-related issues, including back and neck pain.

6. Operate as a facilitator – connecting innovators with funders, academics with clinicians, and encouraging collaboration across the whole MSK community.

   The success of our *AI in Orthopaedics* initiative demonstrates the increasing power and influence of our MSK network.

7. Invest in entrepreneurial people and organisations delivering breakthrough innovations – The Ronald Furlong Fund is designed to support the development of any innovative and commercially viable idea from a UK-based start-up that solves the unmet needs of society around bone, joint and muscle well-being.

   To date we have invested in three start-up companies from this fund – Renovos Biologics, which is pioneering the use of a nanoclay in an injectable gel form that can carry biologic drugs capable of augmenting bone tissue regeneration; Novara Therapeutics, a joint venture company in which we have partnered with investment company Embryo Ventures to commercialise the world's first patented bio-specific solution for the targeted diagnosis and treatment of bone microfractures; and Radii Devices, a company that uses state-of-the-art AI and biomechanical modelling to help clinicians design better fitting prosthetic sockets for people with limb loss or limb difference.

8. Expand the breadth and depth of our educational programme to include more on and off-line courses and more subjects designed to appeal to a broader audience, including GPs and physiotherapists – our educational programme is based on a blended model of virtual and in-person events (as well as recorded events available to purchase and download) that will improve knowledge of prevention, diagnosis, treatment, and the management of MSK conditions.
9. Review and challenge our investment strategy and cost base to ensure the maximum impact.
10. Report our programmes and impact openly and share our learnings with partners and collaborators. We annually publish our impact report (www.oruk.org/about-us/our-impact/download) to demonstrate our progress against our strategy.

Grant making policy

We consider the support of grant applications that are within the scope of our charitable aims; that is to promote the advancement of orthopaedic research and education and, in particular, the encouragement of innovation and partnerships to advance bone, joint and muscle wellbeing in the UK. More information on the funding that is made available is given on our website at www.oruk.org/research/ explaining further the different Funds that are available, as well as examples of recent research projects that were funded. A new research strategy for 2024-27 has been approved by the Trustees and published on our website https://oruk.org/research-strategy/

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. We aim to bring together relevant stakeholders to identify patients' priorities for diagnosis and treatment and to support innovative ideas with the clear aim of delivering substantive and safe solutions. We aim to tackle debilitating bone, joint and muscle disorders and ultimately enhance the quality of life, not only of patients but also of their carers and families. We have raised the public profile of the organisation through the staging of high-quality training and educational events. We continue to further raise the quality and public benefit of these events by engaging thought-provoking MSK opinion leaders as speakers and meeting hosts.

Clinical and scientific research is key to the advancement of knowledge and expertise within medical schools in universities and hospitals. Through our funding, these institutions are able to provide academic research positions or research fellowships that may not otherwise be possible. This opens-up new research areas and directly benefits researchers at all levels, including post-doctorates. Surgeons also benefit from access to cutting-edge research and improved training, helping them to provide better treatment and outcomes to patients.

The results of research are generally readily available in the public domain through the publication of results in the media and the public presentation of research projects. These presentations and publications are always peer reviewed to ensure a consistently high quality of research. By adopting these measures, we are able to satisfy the public benefit funding requirements.

Short-term and longer-term aims and objectives

Given that we are a medical research charity, patients are always our focus. Our aim is to reduce the demand on the NHS, for the treatment and support of patients with poor bone, joint and muscle health, by investing in innovative programmes that have the capability to deliver the maximum impact on the population as a whole.

We focus on the difference we can make over the short, medium, and longer term.

Short-term impact is provided by our conferences and other knowledge-sharing events, and our educational programme.

Although we have deliberately created a diverse investment programme with projects at different stages of development, our priority has been to identify opportunities that have the potential to deliver an impact in the medium term.

The societal benefit from our research investments can typically only be measured over the longer term. However, this does not mean that they do not have the potential to make a valuable contribution by increasing our knowledge and understanding of MSK conditions.

Achievements and performance

The summary of our main achievements is outlined in our CEO's opening message and in the section for objectives and activities on pages 7 to 8. We believe that we make a significant difference to beneficiaries and wider society in the areas of furthering academic research, supporting the work of MSK clinicians, furthering awareness of MSK conditions amongst the general public and in prioritising the needs of patients and the NHS.

Strategic report

Financial review

Financial position

In the 12 months to 31st March 2024, we generated total income of £2,309,786 compared to £2,059,531 in the previous year.

During the year we continued to offer our educational events via a hybrid or blended offering of virtual and face-to-face. These different platforms enable us to continue to drive income from education and the ESCAPE-pain programme. More information on education & events, and the ESCAPE-pain programme, is given on page 8.

The financial year opened to a position of continuing uncertainties in the banking sector, along with concerns around interest rates and high rates of inflation, resulting in the first two quarters of the year continuing to show volatility on the stock market. However, by 31 March 2024 the equity markets and our portfolios were showing recovery from the position at which we opened the financial year and at the balance sheet date, we reflect gains on our listed investments of £1,524,961 compared to losses at the same time last year of £1,672,999. Our long-term investments in property have also been challenged by high interest rates, by way of influencing their attractiveness on the open market. In line with our accounting policy, this year we have obtained formal 'Red Book' valuations on both properties; whilst our Sheffield property showed a small increase in value, the valuation on our London property reflected a further drop in value (further detail on this is given in notes 16 and 18). We hold our assets for the long term, acting as custodians; it remains the trustees' firm intention to hold on to these assets. Income generated from all of our investments is absolutely essential to us, representing our principal funding source. Sustaining the listed investments in particular will allow us to continue to invest in quality research across all the Funds that we have available. Our reserves policy on page 12 explains how we have committed to protect these key assets for the future. More detail on our income and expenditure is given in the Statement of Financial Activities (SoFA). On 31st March 2024, our net assets were £29.7 million, compared to £27.7 million on 31st March 2023, and 97% of our funds are Designated.

Indemnity provisions – as part of the agreement relating to the 2018 sale of JRI there were indemnity provisions that related to past events of that entity. A number of those indemnity provisions came to an end during the 19/20 accounting year. Each year subsequent, the Trustees have undertaken a judgement exercise to reassess the likelihood of the remaining provisions having a material impact. The final indemnity had a time limit which expired on 8 April 2024 - as a result, all provisions have now been released with the final amount of £250,000 being shown in the SoFA for 23/24.

The principal risks and uncertainties that we face at this time are outlined in our Risk Register. This is kept under regular review by the Executive and is considered by the Finance Committee on a quarterly basis to update, identify and review existing and arising risks. Our most recent Risk Register outlined our Top 3 Risks as being the maintenance of income from investments, organisational resilience/ talent retention/talent sourcing, and Trustee succession planning.

We need our investments to continue to generate the income required to fund our research. The Board considers that the choice of two investment managers spreads this risk, with each manager deploying different investment strategies. The Board meets both managers regularly (at least twice a year) to carefully review their performance against our objectives. Uncertain times, both politically and

economically, mean that risks can never be completely avoided, but the Board has put in place as many checks and balances as possible to mitigate these risks. A summary of our investment policy and investment objectives is shown below.

In common with many other businesses and charities, ORUK has felt the effects of the cost-of-living crisis. The main focus of this is ensuring that the charity is able to retain its talent, being its staff, offering competitive salaries in line with the cost of living. In addition, the charity offers flexible working arrangements – in 22/23 we successfully trialled a 4-day working week on an informal basis, and we rolled this out more broadly in 23/24. In 24/25, we have made available to all our staff a Wellbeing App – syncing to existing wearables, this App encourages 'movement' and enables access to health professionals, including mental health support and mindfulness content.

With a small team, organisational resilience can be a source of concern – the charity looks to mitigate this with its systems, offering ongoing support to its staff, and competitive pay and working arrangements, with flexibility around how and where work is done. Also, many functions are outsourced, which enables us to effectively augment our skill base. The executive team has worked tirelessly and dynamically to embrace change so that it can continue to deliver our charitable aims and objectives.

Whilst not a key risk for ORUK, we do fear that junior investigators and post-docs may decide to move out of academic research simply because funding becomes ever harder to come by. We have seen a sharp decline in the number of applications from the MSK research community, particularly from orthopaedic surgeons, which is in line with what our other research partners are observing in recent years. We are part of a working group investigating the reasons for this decline, which may reflect current workload pressures within the health system. We also published a report into factors behind the decline – Where have all the research applicants gone?

Investment policy and objectives

The Board receives quarterly reports from Sarasin & Partners and Rathbones, two investment management companies specialising in the charity field, each of whom handles an investment portfolio on our behalf.

Whilst the investment managers work to various benchmarks and indices, our overarching target for the investment portfolios is a total return of RPI plus 4% per annum on a 3-year rolling basis. Our income target for each fund has previously been around the £320,000 per annum mark. Income received from investments in 23/24 was £620,813 compared to £625,457 in 22/23. Our budget for investment income for 24/25 is for just over £630k across both funds, therefore still not quite at the overall income target level that we would ideally look for. In 23/24 we also looked at fixed term deposit accounts/bonds on the market, achieving a better rate of interest, and in that way topped up our investment income budget – in 23/24 our bank interest received was £38,066 compared to £9,232 in 22/23. We are continuing to monitor savings accounts available to the charity to achieve the best rate possible, particularly as and when our fixed term bonds mature.

The charity has set ethical investment policies for its investment managers, for example, we will not invest in companies trading in tobacco.

Reserves policy

Our reserves policy ensures that we have sufficient funds to cover ongoing commitments and we are able to continue to fund our charitable activities. The trustees review our reserves policy annually and keep the position under careful review at Board meetings to ensure that it evolves with our strategy. Our key income-generating assets are our two properties and our mixed-motive and listed investments (these assets are marked with an asterisk* in the table on the next page). Maintaining the 'capital' value of those assets will be imperative in order to generate sufficient income to sustain our future plans.

After the sale of our trading subsidiary in April 2018, the trustees collectively agreed that the proceeds of the sale should be spent carefully, as this will be the key to enabling us to invest in the long-term, not only in our charitable activities but also in strategic initiatives. We consider that these key assets are effectively ring-fenced to enable us to use the income that is generated from them to support our routine and ongoing running costs. The trustees consider that although there is no legal endowment in place to separate these assets, they should be considered to be endowed and in doing so, the trustees are acting in the spirit of the original intention of the founder of our charity.

At the balance sheet date our designated funds amounted to £28,718,329. Part of this represents our 'Capital Fund' [£26,833,829] and our 'Fabric Fund' [£250,000]. The remainder represents our 'Strategy Development Fund' (SDF) [£1,634,500]. The SDF has been reset at the balance sheet date to the level of our budget for the next financial year for New Research (both academic and non-academic projects) – the SDF encompasses The ORUK Inspiration Fund, The Ronald Furlong Fund, The ORUK Early Career Research Fellowships, and The Joint Partnership Fund. Thanks to monies received from the Medical Research Council for the second year in a row (see our CEO's message on page 5), we were able to (again) increase our budget for 24/25 for Early Career Researchers, providing key support to this vital sector.

Designations are a choice for the Board and are kept under close review.

Net assets	Unrestricted	Designated (unrestricted)	Totals
	£	£	£
Tangible fixed assets	£20,791	£340,878*	£361,669
Investments	£85	£27,971,036*	£27,971,121
Net current assets	£953,612	£791,979	£1,745,591
Long-term liabilities	–	(£385,564)	(£385,564)
Total	**£974,488**	**£28,718,329**	**£29,692,817**

*these are our key income-generating assets, as referred to on the previous page.

Our free reserves

Our free reserves are identified as £953,697; being £974,488 as calculated above, less £20,791 of tangible fixed assets which are illiquid. Our ongoing target is to hold between £750k and £1m in readily available liquid funds in order to cover the running costs of the charity for 12 months, including cashflow requirements in relation to research grant commitments which are significant. On 31st March 2024, cash in our current accounts amounted to £2.1m and we are therefore satisfied that we are continuing to hit our 'liquid funds' target.

Going concern

The financial statements of the charitable company have been prepared on a going concern basis as the trustees have assessed the going concern position and have no reason to believe that there are any material uncertainties that would affect the ability of the charitable company to continue as a going concern for the foreseeable future. In order to plan for future cashflow requirements, the trustees have considered the period covering the next 12 months and have reviewed forecasts for that period in making their assessment.

Plans for future periods

Our work is an investment in the future that will benefit all of us. It will ease the burden on the NHS, reduce workplace sickness and improve the quality of life for millions of people. Pain, immobility, and the resulting isolation are serious issues, but we do not believe they are inevitable. We have outlined earlier in the Trustees Report (on pages 9-10) how our 3-year Strategy guides us and how we have achieved our aims so far. Our Research Strategy for 2024-27 reaffirms our direction of travel over the past few years, which has been based on:

1. Embracing all aspects of MSK health.
2. Broadening our remit beyond orthopaedic surgery to include the important surrounding ecosystem of MSK wellbeing, including physiotherapy.
3. Extending the impact of our investments by partnering with other sources of grant giving.
4. Supporting the work of MSK researchers (especially Early Careers Researchers) including the direct funding of research projects and salaries.
5. Opening-up longer-term opportunities and pathways for researchers by helping translate their research ideas into practice/ process improvements or new products and services.
6. Encouraging junior clinicians to consider a career in MSK research.
7. Supporting the development of a more equal, diverse and inclusive research culture.
8. Helping to make the case for increased research investment in MSK conditions.

We continue to expand the portfolio of our education and training events, offering a variety of topics tailored for the MSK community, including academic scientists, orthopaedic surgeons, and physiotherapists. We will be exploring greater use of online, on-demand content, which we believe will both better serve the needs of healthcare professionals (many of whom lack the time to attend face-to-face training events) and generate additional revenue. We will be testing an online learning platform, focusing on an AI for MSK Health training programme.

Structure, Governance and Management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Committees

In addition to the Board of ORUK, there are three sub-committees that oversee the various activities of the charity: 'Research', 'Finance, Investment and Audit' (FIAC) and a new committee focused on Education. The Research Committee's responsibility is to ensure the integrity of the charity's programme of scientific research support and its relevance and importance to people affected by MSK conditions. The FIAC's responsibility is to help the Board of ORUK Trustees to discharge its fiduciary duties and responsibilities. The Education committee will be shaping our future approach to learning, including the use of new technologies.

Decision making

The Charity has a Board of Trustee Directors who have the requisite skills, knowledge, and experience to discharge their duties as trustees of this incorporated charitable organisation. Day-to-day management of the charity is delegated to ORUK's leadership team, as detailed on page 3. At periodic meetings, the trustees agree broad strategic activities including investments, reserves, risk management and grant making. On-going performance of the research projects is also reported, as is the performance of the listed investments. The Scientific Advisory Committee (SAC) meets at regular intervals to assist with the review process of our research applications across our available Funds, and to recommend to the Trustees the best projects submitted for funding. The SAC is an independent review panel assessing each project separately to the charity www.oruk.org/about-us/team/#tab_scientific-advisory-committee

Induction and training of new trustees

New trustees are recruited either by recommendation or by advertising in relevant publications or media. A potential trustee then meets the trustees to receive a briefing on the Charity's activities and structure and is given a package of information which includes the agendas and minutes of the Board meetings of the last twelve months. He or she will then be invited to attend a trustee meeting at which they can ask any further questions before being appointed as a trustee and member of the board.

Key management personnel remuneration

Key management personnel (KMP) of the charity are considered to be the CEO and the trustees. To set the CEO's salary, a sub-committee of trustees undertakes research to benchmark average CEO salaries which is then discussed at an appraisal. Details of KMP remuneration is given in note 15 of the accounts.

Risk management

The risks to which the charity may be exposed are under regular review, and systems and procedures have been established to address and manage those risks. Our risks and the steps taken to address them are further explained on pages 11 to 12.

Fundraising standards information

Our fundraising practices meet the values and principles of ORUK as an organisation. We are registered with the Fundraising Regulator. The impact of Covid-19 led us to cease our fundraising activities. We do not use external professional fundraisers, nor do we employ the services of any fundraising agencies or third parties. Most of our fundraising during the year related to Trust and Foundations and there is currently only a small amount of public fundraising. We will be reviewing the potential value of a more proactive fundraising effort during the next few months. We have ensured that we meet the criteria set by the GDPR data protection regulations and all other relevant codes of conduct. To ensure that we take all reasonable care to protect vulnerable people, we comply with the guidance set out by the Institute of Fundraising. We received no complaints about our fundraising practices during the period.

Trustees' responsibilities statement

The trustees (who are also directors of Orthopaedic Research UK 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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;
- Oobserve the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Trustees' Annual Report, incorporating a strategic report, is approved by order of the Board of trustees, as the company directors, on 11 November 2024

Independent Auditor's Report to the members of Orthopaedic Research UK

Opinion

We have audited the financial statements of Orthopaedic Research UK (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2024 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

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - The internal controls established to mitigate risks relating to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remain alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available 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.

Judith Miller
(Senior statutory auditor)

Date: 14 November 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 110 Golden Lane, London EC1Y 0TG

Statement of Financial Activities

(incorporating an income and expenditure account)
For the year ended 31 March 2024

CURRENT YEAR

	Note	Unrestricted funds £	Restricted funds £	31 March 2024 Total £	31 March 2023 Total £
Income from:					
Donations and legacies	2	8,609	-	8,609	2,528
Charitable activities	4/30	347,671	849,102	1,196,773	949,259
Investments	3	1,104,404	-	1,104,404	1,107,744
Total income		**1,460,684**	**849,102**	**2,309,786**	**2,059,531**
Expenditure on:					
Raising funds	5	50	-	50	746
Charitable activities	6	1,493,232	586,430	2,079,662	1,716,576
Total expenditure		**1,493,282**	**586,430**	**2,079,712**	**1,717,322**
Exceptional item - reversal of brought forward indemnity provision	21	250,000	-	250,000	-
Net income/(expenditure) before gains		**217,402**	**262,672**	**480,074**	**1,717,322**
Net gains/(losses) on investments	17	1,538,753	-	1,538,753	(2,446,290)
Losses on revaluation of fixed assets	16	(8,792)	-	(8,792)	(96,711)
Net income/(expenditure)		**1,747,363**	**262,672**	**2,010,035**	**(2,200,792)**
Transfers between funds	24	262,672	(262,672)	-	-
Net movement in funds		**2,010,035**	**-**	**2,010,035**	**(2,200,792)**
Reconciliation of funds:					
Total funds brought forward	24	27,682,782	-	27,682,782	29,883,574
Total funds carried forward	**24**	**29,692,817**	**-**	**29,692,817**	**27,682,782**

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the period.

PRIOR YEAR

	Note	Unrestricted funds £	Restricted funds £	31 March 2023 Total
Income from:				
Donations and legacies	2	2,528	-	2,528
Charitable activities	4	381,594	567,665	949,259
Investments	3	1,107,744	-	1,107,744
Total income		**1,491,866**	**567,665**	**2,059,531**
Expenditure on:				
Raising funds	5	746	-	746
Charitable activities	6	1,445,315	271,261	1,716,576
Total expenditure		**1,446,061**	**271,261**	**1,717,322**
Losses on revaluation of fixed assets	24	(96,711)	-	(96,711)
Net losses on investments	24	(2,446,290)	-	(2,446,290)
Net expenditure		**(2,497,196)**	**296,404**	**(2,200,792)**
Transfers between funds	24	296,404	(296,404)	-
Net movement in funds		**(2,200,792)**	**-**	**(2,200,792)**
Reconciliation of funds:				
Total funds brought forward	24	29,883,574	-	29,883,574
Total funds carried forward	**24**	**27,682,782**	**-**	**27,682,782**

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the period.

Balance Sheet

For the year ended 31 March 2024

	Note	31 March 2024 Total	31 March 2023 Total
Fixed assets			
Tangible assets	16	361,669	398,076
Mixed motive investments	17	226,510	219,490
Investments	17	27,744,611	26,572,454
		28,332,790	**27,190,020**
Current assets			
Stock		612	919
Debtors	19	143,596	583,723
Short term deposits		255,000	-
Cash at bank and in hand		3,048,412	2,045,570
		3,447,620	**2,630,212**
Creditors: amounts falling due within one year	20	(1,702,029)	(1,521,732)
Net current assets		**1,745,591**	**1,108,480**
Total assets less current liabilities		**30,078,381**	**28,298,500**
Creditors: amounts falling due after more than one year	22	(385,564)	(365,718)
Provisions for liabilities	21	-	(250,000)
Net assets	**25**	**29,692,817**	**27,682,782**
Charity Funds			
Restricted income funds		-	-
Unrestricted funds:			
General funds		974,488	559,490
Designated funds – capital assets fund	29	26,833,829	25,663,292
Designated funds - fabric fund	29	250,000	250,000
Designated funds – strategy development fund	29	1,634,500	1,210,000
Total charity funds	**24**	**29,692,817**	**27,682,782**

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Statement of Cash Flows

For the year ended 31 March 2024

	Note	31 March 2024 Total	31 March 2023 Total
Cash flow from operating activities	26	(190,010)	(850,037)
Net cash flow from operating activities		**(190,010)**	**(850,037)**
Cash flow from investing activities			
Income from investments	3	620,813	625,457
Rent from investments	3	445,525	473,055
Net interest received	3	38,066	9,232
Purchase of property, plant & equipment	16	(16,128)	(3,752)
Purchase of investments less net cash acquired	17	(1,367,926)	(1,585,005)
Receipts from sale of investments	17	1,727,502	1,391,286
Net cash flow from investing activities		**1,447,852**	**910,273**
Net increase in cash and cash equivalents		**1,257,842**	**60,236**
Cash and cash equivalents at 31 March 2023		2,045,570	1,985,334
Cash and cash equivalents at 31 March 2024		**3,303,412**	**2,045,570**

The notes on pages 23 to 45 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2024

1. Summary of significant accounting policies

Basis of preparation

Orthopaedic Research UK is a charitable company, limited by guarantee, incorporated in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are given on pages 7-8 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102 and these financial statements contain information about the charity as an individual body. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity has complied with the requirements of FRS 102, and with the provisions of the SORP currently in effect.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting those financial statements are detailed within the relevant accounting policy below.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from educational training and Escape-pain training events is recognised in full in the period in which the event takes place. Income from government grants is recognised as the performance criteria is met.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payment to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All expenditure is recognised inclusive of VAT, where VAT applies. The charity is able to recover some of its VAT under partial exemption, and this VAT recovery is shown as an expenditure line, rather than being offset against the expenditure on which it was incurred.

Grants payable to third parties are within the charitable objectives. Where grants are offered subject to conditions

which have not been met at the year-end date, these are noted as a commitment but not accrued as expenditure. Research grants payable are recognised in full, as expenditure with a related liability, from the date on which the grants are awarded and communicated.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets are capitalised where their cost exceeds £1,500.

Freehold property, for which fair value can be measured reliably, is measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on revaluation of fixed assets' in the SoFA. The trustees have adopted a policy of regular revaluation of freehold property, and undertake this professionally once every three years, with informal reviews annually. Freehold property includes the space the charity occupies within its London property. See note 16 for further detail.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	not depreciated
Freehold buildings	straight line over 50 years
Fixtures and fittings	20%-25% on cost
Computer equipment & website	33 1/3% on cost

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SoFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA. Investment properties are not depreciated. The trustees have adopted a policy of regular revaluation of investment properties, and will undertake this professionally once every three years, with informal reviews annually. Investment properties include the tenant occupied space in the London and Sheffield properties. See note 18 for further detail.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Mixed motive investments are those held to generate a financial return as well as further the charitable objects. These investments are valued at historic cost and reviewed for indicators of impairment at each balance sheet date. Investments in subsidiary undertakings are valued at historic cost and reviewed for impairment.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stock.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash deposits with financial institutions (including investment managers) that are readily convertible to known amounts of cash with an insignificant risk of change in value.

Short term deposits

Short term deposits include cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Indemnity provisions – as part of the sales agreement relating to JRI, there were a number of indemnity provisions in relation to past events of the entity. The trustees undertook a judgement exercise whereby the varying degrees of probability of each provision was assessed and, as a result, a total provision in relation to indemnities of £575,000 was recorded. In 2019, the trustees updated the judgement exercise and concluded that £325,000 of the provision could be released as not required. This amount was released to the SoFA and was shown as an exceptional item. See note 21. The remaining indemnity's timeframe expired shortly after 31 March 2024 and the amount has been released to the SoFA during the year.

Key sources of estimation uncertainty

The following key sources of estimation uncertainty at the end of the reporting period have a significant risk of causing a material adjustment to the carrying amounts of liabilities within the next financial year:

Spread of rent free period (RFP) - the charity has a long-term commitment on premises. The lease commitment is for 40 years, effective January 2017, with a significant RFP. At the end of the RFP, rent will be charged at market value. The charity is accruing for estimated rent calculated using RPI. In prior years, RPI had not been significant, but at the previous balance sheet date inflation was high resulting in a significant adjustment to the accrued rent during that accounting period. As inflation has dropped in the months leading up to 31 March 2024, an adjustment has been made in the year to reduce the rent accrued in the balance sheet. If inflation should rise again in the next financial year, this estimation may be subject to a material adjustment.

2. Donations and legacies

	31 March 2024	31 March 2023
	£	£
Donations	**8,609**	2,528

The donations figure noted above includes both restricted and unrestricted income (where applicable). Unrestricted donations received during the year amounted to £8,609 (2023 - £2,528) and restricted donations received during the year amounted to £nil (2023- £nil).

3. Investment income (unrestricted)

	31 March 2024	31 March 2023
	£	£
Rental income	445,525	473,055
Dividends received	620,813	625,457
Bank interest received	38,066	9,232
	1,104,404	1,107,744

4. Income from charitable activities

	Unrestricted funds	Restricted funds	31 March 2024	31 March 2023
	£	£	£	£
Medical Research Council grant income (see note 10)	-	769,616	769,616	507,701
Education (training courses)	253,601	-	253,601	284,366
Escape-pain (training courses and grant income [see note 6])	92,399	79,486	171,885	155,227
Publishing	1,671	-	1,671	1,965
	347,671	**849,102**	**1,196,773**	949,259

The income from charitable activities figure noted above includes both restricted and unrestricted income. Unrestricted income received during the year amounted to £347,671 (2023 - £381,594) and restricted income received during the year amounted to £849,102 (2023 - £567,665).

5. Expenditure on raising funds

	31 March 2024	31 March 2023
	£	£
Fundraising costs	**50**	746

6. Charitable activities costs

	Direct & support costs	Grant funding of activities 31.3.24 (see note 10)	Totals
	£	£	£
Promoting best orthopaedic practice through education	530,646	-	530,646
Publishing and sponsorship	66,900	-	66,900
Research into best orthopaedic practice	-	1,216,586	1,216,586
Governance costs (note 9)	265,530	-	265,530
	863,076	**1,216,586**	**2,079,662**

Charitable activities costs above include support cost allocations, which are analysed in note 9.

Investment management costs are included in governance costs and total £25,875 (2023 - £26,395).

Restricted fund costs in relation to ESCAPE-pain grant income amounted to £82,126 (2023 - £59,964) - actual costs in relation to the grant exceed that figure.

	Direct & support costs	Grant funding of activities 31.3.23 (see note 10)	Totals
	£	£	£
Promoting best orthopaedic practice through education	565,559	-	565,559
Publishing and sponsorship	45,106	-	45,106
Research into best orthopaedic practice	-	811,801	811,801
Governance costs (note 9)	294,110	-	294,110
	904,775	811,801	1,716,576

7. Grants payable

	31 March 2024 £	31 March 2023 £
Research into best orthopaedic practice	**1,216,586**	811,801

See note 10 for an analysis.

8. Net income/(expenditure)

	31 March 2024 £	31 March 2023 £
Net income/(expenditure) on page 19 is stated after charging/(receiving):		
Depreciation - owned assets	42,531	31,660
Foreign currency translation - realised currency losses/(gains)	154	(13,042)

9. Allocation of support cost

Support cost	Research	Promoting (through education & advancement of knowledge)	Fundraising	Governance	31 March 2024 Total
	£	£	£	£	£
Human resources	59,559	24,645	-	121,171	205,375
Premises/insurance	632	262	-	1,286	2,180
Communications & PR	23,682	9,799	-	48,179	81,660
Travel expenses	223	13	-	692	928
Other expenses	24,151	8,346	-	68,393	100,890
Depreciation & loss on disposal	12,686	5,249	-	25,809	43,744
Total	**120,933**	**48,314**	**-**	**265,530**	**434,777**

Support costs are allocated to the activities they support based on an apportionment of employees' time spent on each activity. The costs analysed above are included in charitable activities costs (see note 6).

Support cost	Research	Promoting (through education)	Fundraising	Governance	31 March 2023 Total
	£	£	£	£	£
Human resources	60,622	13,990	-	111,918	186,530
Premises/insurance	43,234	9,977	-	79,816	133,027
Communications & PR	13,389	3,076	-	25,128	41,593
Travel expenses	65	8	-	703	776
Other expenses	18,119	4,181	-	57,548	79,848
Depreciation	10,289	2,374	-	18,997	31,660
Total	**145,718**	**33,606**	**-**	**294,110**	**473,434**

10. Grant making

CURRENT YEAR

Name of institution	Purpose for which grants made (research)	31 March 2024 £
Queen Mary University of London (QMUL)	JPF - the effect of mental health on knee replacement outcomes	98,725
Aston University	JPF - modelling of the spinal cord for greater understanding of aetiology and management of compressive spinal cord pathology	30,000
University of Manchester	JPF - investigating the biomechanical and functional outcomes of autologous chondrocyte implantation	56,419
Keele University	JPF - big data analyses of the long-term benefits of knee cartilage surgery	55,000
Medtech	JPF - MSK Accelerator Programme, supporting early career researchers translate their early-stage MedTech innovations	125,000
British Hip Society	JPF - day case hip replacement in the NHS: a registry-based national cohort study	55,000
Uni Hospitals of Leicester	JPF - surgical treatment of pathological posterior medial meniscal extrusion	30,000
British Orthopaedic Association (BOA)	JPF - mesenchymal stromal cells in cartilage regeneration	32,500
BOA	JPF - can a novel machine learning algorithm for analysis of pelvic radiographs improve the prediction of hip displacement in cerebral palsy?	16,660
Northumbria University	ECRF - development and feasibility of a digital health intervention to encourage exercise maintenance after falls prevention exercise programmes end	105,200
Cardiff University	IF - identifying objective measures of sex-specific pain in humans that can be used diagnostically to target treatment	47,000
University of Birmingham	ECRF - torque visuo-motor feedback training: a new way to manage patella tendinopathy	105,300
Royal Infirmary of Edinburgh	IF - development of a diagnostic protocol to aid the investigation and management of posterior malleolus ankle fractures	23,000
University of Oxford	IF - improving wrist injury pathways	45,000
University of Exeter	IF - developing a core outcome set for studies of patients sustaining periprosthetic femoral fractures	38,000
QMUL	ECRF - establishing the feasibility of real-world surveillance of orthopaedic devices using routinely collected data	50,000
University of Cambridge	JPF - a precision health approach to osteoarthritis	50,000
University of Reading	JPF - machine learning-enabled decision support system to improve early detection and referral of rheumatic and MSK diseases	100,000
Seed Funding Prizes		4,500
University of Nottingham	project underspend (see note below)	(3,412)
Newcastle University	project underspend (see note below)	(1,533)
University of Bristol	project underspend (see note below)	(13,923)
SWLEOCUB	project underspend (see note below)	(16,667)
University of Edinburgh	project underspend (see note below)	(4,336)
Grants to institutions		**1,027,433**

10. Grant making (cont...)

CURRENT YEAR (CONT..)

	31 March 2024 £
Patent fees, Scientific Advisory Committee costs, research staff costs and research specific promotion	68,220
Direct costs of grant making	**1,095,653**
Support costs of grant making – see note 9	120,933
TOTAL COSTS OF GRANT MAKING	**1,216,586**

JPF= Joint Partnership Fund ;IF= Inspiration Fund; ECRF= Early-career Research Fellowship

The projects marked with an asterisk (*) above are shown within restricted fund expenditure. During the year the charity received grant monies of £769,616 (2023 - £507,701) from the Medical Research Council to be used to support early-career researchers. Restricted expenditure on research grants during the year amounted to £504,304 (2023 - £211,297) and unrestricted expenditure on research grants during the year amounted to £523,129 (2023 - £439,639).

Occasionally universities, for various reasons, do not spend all the funds that they initially requested to carry out their research activities. There is a provision in the contract signed between the parties that enables ORUK to ask for any 'underspend' monies to be returned to the charity. The adjustments above relate to refunds of unspent funds, or credits of agreed funding, where the universities have confirmed that not all of the grant was required.

10. Grant making (cont...)

PRIOR YEAR

Name of institution	Purpose for which grants made (research)	31 March 2023 £
Northumbria Healthcare NHS Foundation Trust	JPF - using an AI system to predict outcomes for surgical patients	55,000
Northumbria Healthcare NHS Foundation Trust	JPF - study of patients undergoing primary hip and knee replacement in the United Kingdom*	28,343
Newcastle Upon Tyne NHS Foundation Trust	JPF - development of patient cell lines to investigate the pathophysiology of osteogenesis imperfecta and the mechanotransduction of these cells during mechanical strain	32,500
University of Cambridge	JPF - femoroacetabular impingement and hip osteoarthritis: identifying new treatment targets	30,000
Manchester Metropolitan University	ECRF - development of a 3D ultrasound imaging technique with auto-segmentation	108,000
Queen Mary University of London	IF - defining the pro-nociceptive role of neutrophils in chronic widespread pain	30,000
University College London	ECRF - MRI assessment of reinnervated muscle for an ibuprofen trial	110,000
Royal National Orthopaedic Hospital NHS Trust	IF - virtual reality plus sensory feedback for the management of chronic musculoskeletal pain in adults	49,954
King's College Hospital London	IF - does small fibre neuropathy predict the development and progression of Charcot neuroarthropathy bone and joint destruction (a pilot study)	50,000
Staffordshire University	IF - evidence based guidelines for the optimal design of rigid ankle-foot orthosis	48,000
University of Oxford	ECRF - reduction of 'non-specific' anterior knee pain after total knee replacements by the diagnosis of patella mal-tracking using a novel ultrasound method in the clinic	110,000
University College London	project underspend (see note below)	(354)
Newcastle University	project underspend (see note below)	(507)
Grants to institutions		**650,936**
Patent fees, Scientific Advisory Committee costs and research specific promotion		15,147
Direct costs of grant making		**666,083**
Support costs of grant making – see note 9		145,718
TOTAL COSTS OF GRANT MAKING		**811,801**

11. Auditor's remuneration

Amounts payable to the auditor for statutory audit services of the charity, excluding VAT, are £14k (2023 - £13k).

Amounts payable to the auditor and its associates for other services (tax advisory) of the charity, excluding VAT, are £nil (2023 - £1k).

12. Trustees' remuneration and benefits

No trustees received remuneration or benefits from the charity. One trustee, Mr M Gouldstone, is also a director of Novara Therapeutics Ltd - no remuneration or benefits was received for this but travelling expenses of £43 was reimbursed in the year.

At the balance sheet date, there were two ongoing research projects where trustees were involved as collaborators/supervisors - the expenditure on these was recognised in previous years. The trustees involved were Mr K Tucker and Mr M Reed. Collaboration/supervising means being part of the research team, supervising the primary researcher. Neither trustee received any remuneration or benefits in relation to this collaboration work. As outlined in the charity's Articles, the trustees declared their conflict of interest in relation to these research projects and excused themselves from discussions on both the Scientific Advisory Committee and on the Research Committee.

Trustees' expenses

Expenses totalling £149 (2023 - £410) were paid to 2 trustees in the year (2023 - 3) by the charity, representing reimbursement of travelling expenditure. In addition, the charity expended £5,617 (2023 - £8,332) on hosting trustee meetings and away-day strategy meetings.

13. Staff costs and employee benefits

	31 March 2024 £	31 March 2023 £
Wages and salaries	400,726	382,224
Social security costs	40,865	38,761
Employer's contribution to defined contribution pension schemes	34,790	24,779
	476,381	445,764

The amount of £476,381 (2023 - £445,764) above includes £131,551 (2023 - £120,157) of employee benefits received by key management personnel, including the CEO, for services to the charity. Key management personnel are defined on page 14.

14. Staff costs

The average number of employees, by headcount, in the period was as follows:

	2024 (Charity) Number	2023 (Charity) Number
Charitable activities	7	6
Governance	2	2
	9	8

The charity pays contributions into a money purchase group personal scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. Contributions paid into the scheme by the charity in the period were £34,790 (2023 - £24,779). The pension creditor at the period end was £2,555 (2023 - £nil).

The number of employees who received total employee benefits (excluding employer pension costs and employer social security costs but including benefits in kind) of more than £60,000 was as shown in the table below.

	2024 Number	2023 Number
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-

15. Related party transactions

There are no related party transactions other than those disclosed in notes 12 and 13.

16. Tangible fixed assets

	Freehold land & buildings	Fixtures, fittings & equipment	Totals
	£	£	£
COST/VALUATION			
At 31 March 2023	491,718	92,711	584,429
Additions	-	16,128	16,128
Disposals	-	(3,356)	(3,356)
Revaluations	(8,792)	-	(8,792)
At 31 March 2024	**482,926**	**105,483**	**588,409**
DEPRECIATION			
At 31 March 2023	140,412	45,941	186,353
Charge for the year	1,636	40,895	42,531
Disposals	-	(2,144)	(2,144)
At 31 March 2024	**142,048**	**84,692**	**226,740**
NET BOOK VALUE			
At 31 March 2024	**340,878**	**20,791**	**361,669**
At 31 March 2023	351,306	46,770	398,076

The freehold building relates to the charity-occupied part of 10a Chandos House in London. This building was acquired in January 2008. The property was recognised at fair value on transition to SORP (FRS 102) using a previous fair value valuation. The building is being depreciated from the FRS 102 transition date of 1/4/14 and has a net book value of £340,878; land is not depreciated. The historic cost equivalent of this asset at net book value is £389,097, and depreciation at historic cost would be £351. The trustees have adopted a policy of regular revaluation of freehold property, and undertake this professionally once every three years, with informal reviews annually. The freehold property was subject to an formal valuation on 31/3/24. The valuation was undertaken by Colliers International Valuation UK LLP, a firm of independent valuers. Further information on property valuations is contained in note 18.

17. Fixed asset investments

	Unlisted investments	Mixed motive investments	Investment properties (18)	Listed investments	Totals
	£	£	£	£	£
COST/ MARKET VALUE					
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944
Revaluations	-	-	13,792	1,524,961	1,538,753
Additions	-	7,020	-	1,360,906	1,367,926
Disposals	-	-	-	(1,727,502)	(1,727,502)
At 31 March 2024	**85**	**226,510**	**7,187,074**	**20,557,452**	**27,971,121**
NET BOOK VALUE/FAIR VALUE					
At 31 March 2024	**85**	**226,510**	**7,187,074**	**20,557,452**	**27,971,121**
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944

In addition to the investment management costs which have been disclosed in note 6, one of our fund managers (Sarasin & Partners) charges a range of ongoing, explicit, and implicit charges which have not been presented as expenditure in the accounts. The cost applied is approximately 1% of the average portfolio value which is deemed immaterial to the accounts. Income from investments is shown in note 3. Shares in group undertakings were included at cost less impairment. Investment properties and listed investments are included at market value. This is commented on in more detail in note 18 below. Unlisted investments are included at cost which at the year end is considered to be the equivalent of market value.

The unlisted investment above relates to an 85% shareholding in a subsidiary undertaking, Novara Therapeutics Limited, a company registered in England and Wales under company number 12841228. The subsidiary has been excluded from consolidation as its inclusion is not material for the purpose of giving a true and fair view. The company's aggregate liabilities at 31/3/24 were £28,818 (2023 £26,934), it had no turnover in the accounting period and its loss for the year was £1,884 (2023 £1,780).

17. Fixed asset investments (cont...)

	Unlisted investments	Mixed motive investments	Investment properties	Listed investments	Totals
	£	£	£	£	£
COST/ MARKET VALUE					
At 31 March 2022	85	209,995	7,946,572	20,887,862	29,044,514
Revaluations	-	-	(773,290)	(1,672,999)	(2,446,289)
Additions	-	9,495	-	1,575,510	1,585,005
Disposals	-	-	-	(1,391,286)	(1,391,286)
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944
NET BOOK VALUE					
At 31 March 2023	85	219,490	7,173,282	19,399,087	26,791,944
At 31 March 2022	85	209,995	7,946,572	20,887,862	29,044,514

18. Investment properties

The charity has two investment properties – the London property is the tenant-occupied part of 10a Chandos House in London and the Sheffield property is in Chapeltown in Sheffield.

The investment properties were last subject to independent, professional valuation as at 31/3/24. The property valuations were undertaken by Colliers International Property Consultants Limited, a firm of independent valuers. Both valuations were carried out in accordance with the requirements of the RICS Valuation - Professional Standards Manual. The historic cost equivalent of these assets is £4,411,349 and £3,498,868 respectively.

The trustees carry out a formal valuation of properties every three years, checking in with valuers in between.

The Sheffield property was valued at £3.825m on a formal valuation basis on 31/3/24.

The London property was valued at £3.845m on a formal valuation basis on 31/3/24. Adjustments for both properties have been reflected in the year.

It remains the trustees' current intention to hold both properties for the long term.

19. Debtors: amounts falling due within one year

	31 March 2024	31 March 2023
	£	£
Trade debtors	10,168	476,562
Other debtors	25,948	5,558
Amounts owed by group undertakings	27,480	25,596
Prepayments and accrued income	80,000	76,007
	143,596	583,723

20. Creditors: amounts falling due within one year

	31 March 2024	31 March 2023
	£	£
Trade creditors	91,159	72,153
Grants payable	1,092,522	864,156
Taxation and social security	28,538	42,487
Other creditors	57,445	44,993
Accruals and deferred income	432,365	497,943
	1,702,029	1,521,732

Deferred income includes monies held for courses to be held in the next financial year amounting to £54,300 (2023 - £89,983), and rents invoiced in advance, amounting to £127,619 (2023 - £133,714).

	31 March 2024	31 March 2023
	£	£
Balance at the beginning of the period	223,697	179,912
Amount released to income in the period	(223,697)	(179,912)
Amount deferred in the period	181,919	223,697
Balance at the end of the period	**181,919**	223,697

21. Reconciliation of grant commitments and provisions

	31 March 2024 £	31 March 2023 £
Grant commitments at 31 March 2023	1,229,874	1,039,847
Grants adjusted/charged in the period (note 10)	1,027,433	650,936
Grants paid in the period	(779,221)	(460,909)
Grant commitments at 31 March 2024	**1,478,086**	1,229,874

	31 March 2024 £	31 March 2023 £
Provisions at 31 March 2023	250,000	250,000
Indemnity provision released in the period	(250,000)	-
Provisions at 31 March 2024	**-**	250,000

As part of the sales agreement relating to JRI, ORUK committed to a number of indemnity provisions relating to past JRI events. The indemnities had specific, but varying, time periods applied. For each of the indemnities, the trustees considered the likelihood of the provision crystallising and concluded that provision in the accounts should be made for those considered most probable. Just after the balance sheet date, and prior to the date of signing these accounts, all time periods applied to the indemnities have expired and the trustees consider that the provisions brought forward from the prior year should be released to the SoFA. More information is supplied in note 27.

22. Creditors: amounts falling due after more than one year

	31 March 2024 £	31 March 2023 £
Grants payable	**385,564**	365,718

23a. Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods. Lease payments recognised as an expense are shown below in italics:

			31 March 2024	31 March 2023
			£	£
Less than one year			3,458	3,458
Two to five years			-	-
Over five years			487,953	908,028
			491,411	**911,486**
Land and buildings	*see note 1*	*included in support cost allocation*	487,953	908,028
Other (HR contract)	*£3,458*	*included in support cost allocation*	3,458	3,458
			491,411	**911,486**

23b. Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods, and all relate to land and buildings:

	31 March 2024	31 March 2023
	£	£
Less than one year	387,641	410,046
Two to five years	562,635	893,216
Over five years	-	-
	950,276	**1,303,262**

24. Fund reconciliation

	Balance at 31 March 2023	Income	Expenditure	Transfers	Gains	Balance at 31 March 2024
	£	£	£	£	£	£
Other charitable funds	27,682,782	1,460,684	(1,493,282)	262,672	1,779,961	29,692,817
Restricted	-	849,102	(586,430)	(262,672)	-	-
	27,682,782	**2,309,786**	**(2,079,712)**	**-**	**1,779,961**	**29,692,817**

Of the £29,692,817 of other charitable funds above, £28,718,329 has been identified as being 'designated' at the period-end; this is further explained in note 25a and note 29. The purpose of the designated fund is to ring-fence key income-generating assets so that the charity can continue with its charitable activity of investing in research, and to enable the charity to invest in its fundraising plan to realise its vision of 'pain-free movement for all'.

See note 30 for an analysis of the transfer from restricted to unrestricted funds.

	Balance at 31 March 2022	Income	Expenditure	Transfers	Losses	Balance at 31 March 2023
	£	£	£	£	£	£
Other charitable funds	29,883,574	1,491,866	(1,446,061)	296,404	(2,543,001)	27,682,782
Restricted	-	567,665	(271,261)	(296,404)	-	-
	29,883,574	**2,059,531**	**(1,717,322)**	**-**	**(2,543,001)**	**27,682,782**

25a. Analysis of net assets between funds (current period)

	General	Designated	Restricted	Total Funds
	£	£	£	£
Tangible fixed assets	20,791	340,878	-	361,669
Investments	85	27,971,036	-	27,971,121
Net current assets	953,612	740,212	-	1,693,824
Long term liabilities	-	(385,564)	-	(385,564)
Provisions	-	-	-	-
Net assets at 31 March 2024	**974,488**	**28,666,562**	**-**	**29,641,050**

25b. Analysis of net assets between funds (prior period)

	General Unrestricted	Designated	Restricted	Total Funds
	£	£	£	£
Tangible fixed assets	46,770	351,306	-	398,076
Investments	85	26,791,859	-	26,791,944
Net current assets	512,635	595,845	-	1,108,480
Long term liabilities	-	(365,718)	-	(365,718)
Provisions	-	(250,000)	-	(250,000)
Net assets at 31 March 2023	**559,490**	**27,123,292**	**-**	**27,682,782**

26. Reconciliation of net income to net cash flow from operating activities

	31 March 2024	31 March 2023
	£	£
Net income for period	2,010,035	(2,200,792)
Dividends received	(620,813)	(625,457)
Interest receivable	(38,066)	(9,232)
Depreciation of tangible fixed assets	42,531	31,660
(Gains)/losses on investments and on revaluation of fixed assets	(1,779,961)	2,543,001
Reverse indemnity provision	250,000	-
Loss on disposal of tangible fixed assets	1,212	-
Rent from freehold investment property	(445,525)	(473,055)
Decrease in stock	307	408
Decrease/(increase) in debtors	440,127	(480,504)
(Decrease)/increase in creditors	(49,857)	363,934
Net cash flow from operating activities	**(190,010)**	(850,037)

Cash and cash equivalents at 31 March 2024 were £3,303,412 (2023 - £2,045,570). This amount is analysed as £3,002,971 (2023 - £2,044,848) of bank balances, £300,441 held by investment houses as 'cash' balances available to invest (2023 - £220) and £nil (2023 - £502) of cash.

ANALYSIS OF CHANGES IN NET DEBT

	Balance at 31 March 2023	Cashflows	Balance at 31 March 2024
	£	£	£
Cash	2,045,350	957,621	3,002,971
Cash-equivalents	220	300,221	300,441
Grants falling due within 1 year	(864,156)	(280,133)	(1,144,289)
Grants falling due in more than 1 year	(365,718)	31,921	(333,797)
	815,696	**1,009,630**	**1,825,326**

27. Contingent liabilities

As outlined in note 21, in prior periods ORUK committed to a number of indemnity provisions - initially these were provided for within the accounts but as the likelihood of these crystallising reduced, the provisions were reversed. As of the prior balance sheet date, of the four indemnities committed to, three had already fallen outside the time limit restriction, and one remained provided for in the accounts. The remaining indemnity period expired shortly after 31/3/24 and, at the date of signing the accounts, there are no contingent liabilities remaining.

28. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is not to exceed £10.

29. Analysis of designated funds

An analysis of the funds is given below:		31 March 2024 £	31 March 2023 £
Strategy Development Fund	*new research (academic and non-academic)*	1,634,500	1,210,000
Fabric Fund	*ongoing maintenance to Furlong House (grade II listed)*	250,000	250,000
Capital Fund	*to ring fence key income generating assets*	26,833,829	25,663,292
		28,718,329	27,123,292

Included within the Strategy Development Fund is additional funding to be made available to support early career researchers.

30. Analysis of restricted fund

		Medical Research Council	Innovate Grant	Total restricted funds 31.3.24
		£	£	£
Grant monies received	*note 4*	769,616	79,486	849,102
Grant projects funded in year	*note 10*	(504,304)	-	(504,304)
Grant expenditure	*note 6*	-	(82,126)	(82,126)
Transfer from restricted to unrestricted funds	*note 24*	(265,312)	2,640	(262,672)
		-	-	-

The transfer of £265,312 above relates to the monies received from the Medical Research Council - the transfer relates to expenditure incurred in previous years, recognised as per the accounting policy and, at the time, treated as expenditure within unrestricted funds. The funding aims to protect the pipeline of early career researchers (ECRs) and to help support the charity research sector regain it's pre-COVID levels of research and innovation investment in the UK. It was available to support ECRs and research grants active in FY 2023/24 based in a UK organisation eligible for UKRI research funding - the funding provided through this scheme must be used to support the researchers and projects submitted to the scheme.

The transfer of £2,640 above relates to the grant received from Innovate in relation to the ESCAPE-pain programme - this is expenditure incurred on an Independent Accountants Report that cannot be claimed as part of the grant expenditure and has therefore been treated as expenditure within unrestricted funds. The funding was awarded to a project consortium (of which ESCAPE-pain was a part) looking at a market-demand-led and co-designed solution to transform community gyms and leisure centres into 'MSK hubs'. This project has the potential to save the NHS \>£200m by 2030.

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