

Company number: 10482956
Charity Number: 1172103

Fortius Research and Education Foundation

Report and financial statements
For the year ended 31 December 2018

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Fortius Research & Education Foundation

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Fortius Research and Education Foundation

Reference and administrative information

For the year ended 31 December 2018

Company number 10482956

Charity number 1172103

Registered office and operational address 17 Fitzhardinge Street, London, W1H 6EQ

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors under company law) who served during the year and up to the date of this report were as follows:

James Calder (Chair)
Professor Andrew Amis
Jason Harvey
Daniel Howcroft
Andrew Williams

Independent Examiner Malcolm Lucas
Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

The trustees present their report and financial statements for the year ended 31 December 2018.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The objectives of the charity are to advance education and research in medical conditions, treatments and surgery. In particular, the charity focuses on orthopaedic and musculoskeletal conditions and associated or related disorders, including arthritis, rheumatology, sports injuries, chronic pain and fatigue syndromes.

For the foreseeable future, the trustees believe that the aims of the charity can be achieved most effectively by raising funds and making grants to enable individuals and organisations to carry out appropriate research and education activities.

The charitable company was incorporated on 17 November 2016 and registered as a charity on 16 March 2017. Activities in the start-up period were focused on establishing the company's research and education strategy and on fundraising. As a result, three significant donations had been received by 31 December 2018 and, in each case, these are intended to fund specific programmes of research and education.

The trustees review the aims, objectives and activities of the charity each year.

The trustees 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 its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Financial review

During the year, donations of £124,493 were received. These, together with the funds received in the previous period (£105,550) allowed three research and education programmes to be launched during the year. Expenditure on these programmes during the year amounted to £85,000 (2017: £NIL). In addition, support and governance costs totalled £1,289 (2017: £1,222).

Total charity funds at 31 December 2018 were £142,482 (31 December 2017: £104,278).

The charitable company does not employ staff and has not entered into any contractual obligations. In addition, for the foreseeable future, administrative and support services will

continue to be provided by Fortius Group Limited, free of charge. Given these circumstances, the trustees have concluded that their initial reserves policy should be to retain a notional balance of between £0 and £5,000 in general unrestricted funds to allow for possible unfunded future administrative expenditure. General unrestricted funds at 31 December 2018 were £3,659 (31 December 2017: £4,278).

Plans for the future

In 2019, the charity will continue to undertake the programmes that are being funded by the restricted donations that have been received to date. In addition, further fundraising activities will take place and, if successful, these will enable the charitable company's research and education strategy to be progressed.

Structure, governance and management

The organisation was established by Fortius Group Limited ("FGL") as an independent charitable company limited by guarantee in order to advance research and education in FGL's core business (the diagnosis and treatment of orthopaedic and musculoskeletal conditions).

The charitable company is required to have five trustees, all of whom are nominated by FGL. Two of these nominees must be independent of FGL. The trustees are the members of the charitable company.

Under the company's conflicts of interest policy, all conflicts must be declared and, unless otherwise decided, the conflicted trustee(s) will then take no part in the decision making process. Consequently, any transactions between the company and FGL are approved (or otherwise) by the two independent trustees.

The charitable company does not employ any staff. Trustees carry out all fundraising activities and manage the grant making processes in accordance with the company's research and education strategy. All management and administrative activities are carried out by FGL free of charge.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the financial statements.

Statement of responsibilities of the trustees

The trustees (who are also directors of Fortius Research and Education Foundation 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 period which give a true and fair view of the state of affairs of the charitable company and of the incoming

Fortius Research and Education Foundation

Trustees' annual report

For the year ended 31 December 2018

resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper 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 information of which the charitable company's independent examiner is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 5 (31 December 2017: 5). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent Examiner

Malcolm Lucas of Menzies LLP was re-appointed as the charitable company's independent examiner during the year and has expressed his willingness to continue in that capacity.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

The trustees' annual report has been approved by the trustees on 22 May 2019 and signed on their behalf by:

James Calder
Chair

Independent Examiner's report

To the Trustees of Fortius Research and Education Foundation ("the Charity")

I report to the Charity's Trustees on my examination of the accounts of the Charity for the year ended 31 December 2018.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Independent Examiner's report

To the Trustees of Fortius Research and Education Foundation ("the Charity")

Signed:

A handwritten signature in black ink, appearing to be 'ML', followed by a large, stylized loop.

Dated: *3 June 2019.*

Malcolm Lucas FCA

Menzies LLP
Chartered Accountants
Lynton House
7 - 12 Tavistock Square
London WC1H 9LT

Fortius Research and Education Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the period ended 31 December 2018

	Note	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Income from:					
Donations	2	670	123,823	124,493	105,500
Total income		670	123,823	124,493	105,500
Expenditure on:					
Raising funds	7	-	-	-	-
Charitable activities					
Research and Education	7	1,289	85,000	86,289	1,222
Total expenditure		1,289	85,000	86,289	1,222
Net income for the period		(619)	38,823	38,204	104,278
Reconciliation of funds:					
Total funds brought forward		4,278	100,000	104,278	-
Total funds carried forward		3,659	138,823	142,482	104,278

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 10 to the financial statements.

Fortius Research and Education Foundation

Balance sheet

Company no. 10482956

As at 31 December 2018

	Note	2018 £	2017 £
Current assets:			
Cash at bank and in hand		193,688	105,483
		<u>193,688</u>	<u>105,483</u>
Liabilities:			
Creditors: amounts falling due within one year	8	(51,206)	(1,205)
		<u>142,482</u>	<u>104,278</u>
Net current assets			
		<u>142,482</u>	<u>104,278</u>
Total net assets		<u>142,482</u>	<u>104,278</u>
 The funds of the charity:	 10		
Restricted funds		158,823	100,000
Unrestricted general funds		3,659	4,278
		<u>142,482</u>	<u>104,278</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the period in question in accordance with Section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the trustees on 22 May 2019 and signed on their behalf by:


James Calder
Chair


Andrew Amls
Trustee

Fortius Research and Education Foundation

Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies

a) Statutory information

Fortius Research and Education Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is 17 Fitzhardinge Street, London, W1H 6EO.

The company was incorporated on 17 November 2016. Consequently, the comparative information presented in the income and expenditure account is for the 58 week period ended on 31 December 2017.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

In the opinion of the trustees, there are no key judgements that the charitable company has made which have a significant effect on the accounts.

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.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Fortius Research and Education Foundation

Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies (continued)

h) Grants payable

When appropriate, grants payable will be made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Support and governance costs

Support and governance costs are re-allocated in their entirety to the charity's primary activity and are attributed between unrestricted and restricted funds in a way that, in the opinion of the trustees, reflects the underlying cost drivers.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Financial instruments

The Charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations

Current year:

	Unrestricted £	Restricted £	2018 Total £
Fortius Group Limited	-	-	-
Other corporations	-	123,823	123,823
Individuals	670	-	670
Total donations 2018	670	123,823	124,493

Prior period:

	Unrestricted £	Restricted £	2017 Total £
Fortius Group Limited	5,000	-	5,000
Other corporations	-	100,000	100,000
Individuals	500	-	500
Total donations 2017	5,500	100,000	105,500

Fortius Research and Education Foundation

Notes to the financial statements

For the year ended 31 December 2018

3 Analysis of expenditure

Current year:

	Raising funds £	Charitable activities: Research and Education £	Governance costs £	Support costs £	2018 Total £
Grants payable	-	85,000	-	-	85,000
IT costs	-	-	-	35	35
Bank charges	-	-	-	54	54
Independent examiner's costs	-	-	1,200	-	1,200
	-	85,000	1,200	89	86,289
Support costs	-	89	-	(89)	-
Governance costs	-	1,200	(1,200)	-	-
Total expenditure 2018	-	86,289	-	-	86,289

Prior period:

	Raising funds £	Charitable activities: Research and Education £	Governance costs £	Support costs £	2017 Total £
Bank charges	-	-	-	22	22
Independent examiner's costs	-	-	1,200	-	1,200
	-	-	1,200	22	1,222
Support costs	-	22	-	(22)	-
Governance costs	-	1,200	(1,200)	-	-
Total expenditure 2017	-	1,222	-	-	1,222

In the opinion of the trustees, in both periods, all of the support and governance costs were unrestricted.

Fortius Research and Education Foundation

Notes to the financial statements

For the year ended 31 December 2018

4 Net income for the period

This is stated after charging:

	2018 £	2017 £
Independent examiner's remuneration (excluding VAT):	1,000	1,000

5 Trustee remuneration and expenses

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

No trustees' expenses were paid or reimbursed during the period.

6 Related party transactions

James Calder, Jason Harvey and Andrew Williams are considered to be related parties in the context of any transactions with Fortius Group Limited ("FGL"). All three are shareholders in FGL and both James Calder and Andrew Williams are also directors of FGL. Since its formation, FGL staff have provided administrative and support services to the charitable company. No charge has been made for these services. In the previous period, an unrestricted donation of £5,000 was received from FGL.

As described in Note 10, James Calder is supervising the fellows funded by the Smith & Nephew Fellowship Fund and he is also overseeing the research programme funded by the Arthrex Foot and Ankle Research Fund. Similarly, Andrew Williams is overseeing the work funded by the DePuy Research Fund.

As an employee of Imperial College of Science, Technology and Medicine, Professor Andrew Amis is associated with the work being funded by both the Arthrex Foot and Ankle Research Fund and the DePuy Research Fund.

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Grants payable	50,000	-
Bank charges payable	6	5
Fees payable to independent examiner	1,200	1,200
	51,206	1,205

9 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Net current assets	3,659	138,823	142,482
Net assets at 31 March 2017	3,659	138,823	142,482

Fortius Research and Education Foundation

Notes to the financial statements

For the year ended 31 December 2018

10 Movements in funds

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
Restricted funds:				
Arthrex Foot and Ankle Research Fund	100,000	-	(50,000)	50,000
Smith and Nephew Fellowship Fund	-	96,000	(35,000)	61,000
DePuy Research Fund	-	27,823	-	27,823
Total restricted funds	100,000	123,823	(85,000)	138,823
Unrestricted funds:				
General funds	4,278	670	(1,289)	3,659
Total unrestricted funds	4,278	670	(1,289)	3,659
Total funds	104,278	124,493	(86,289)	142,482

Purposes of restricted funds

The Arthrex Foot and Ankle Research Fund was established by a restricted donation received from Arthrex Limited. The purpose of the fund is to support people undertaking research and education into Foot and Ankle surgery. During the year, the charity entered into a contract with Imperial College of Science, Technology and Medicine ("the university") for one of the university's employees to carry out a short study into the role of different soft tissues in the foot and ankle joint using a robotic testing platform. The cost of this study (which is expected to be approximately £56,000) is being met from the Arthrex Fund.

The Smith & Nephew Fellowship Fund was established by a restricted donation received from Smith & Nephew Orthopaedics AG. The fund is being used to pay the salaries of fellows who are participating in a programme of research and education into Foot and Ankle surgery. The fellows in question are supervised by James Calder and it is envisaged that the programme will continue until 2020.

The DePuy Research Fund was established by a restricted donation received from Synthes USA Products LLC ("DePuy"). It is intended that this fund will be fully used to investigate the effect of knee joint line obliquity on articular contact pressures, with the research being carried out by a team including Andrew Williams and employees of the university.

11 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 limited to £1.