

Company number: 10482956

Charity Number: 1172103

Fortius Research and Education Foundation

Report and financial statements

For the year ended 31 December 2021

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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 2021

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

Fortius Research and Education Foundation

Trustees' Annual Report

For the year ended 31 December 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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.

Trustees

The trustees named on page 1 served throughout the year. We were delighted that our Chair, James Calder, was awarded an OBE in the 2021 New Year Honours List for his services to Sport and to Exercise.

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.

The trustees believe that the aims of the charity can be achieved most effectively by using available funds to make grants to enable individuals and organisations to carry out appropriate research and education activities.

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.

The charitable company was incorporated on 17 November 2016 and registered as a charity on 16 March 2017.

Thanks to the efforts of individual trustees, some significant donations were received in previous periods. As more fully described in Note 10 of the financial statements, these have been used during the year to fund specific programmes of research and education. Fundraising efforts have continued but the lack of dedicated resources available to the charity has meant that limited progress has been made. Consequently, the trustees have reluctantly concluded that, once existing funds have been fully allocated, it is likely that the charity will be wound up.

Fortius Research and Education Foundation

Trustees' Annual Report

For the year ended 31 December 2021

Financial review

During the year, donations of £10,555 were received (2020: £8,010).

Funds received in the previous period allowed a number of research and education programmes to be continued during the year. In total, expenditure on these programmes during the year amounted to £23,250 (2020: £24,394). In addition, support and governance costs totalled £254 (2020: £1,248).

The net deficit for the period was £12,949 (2020: £17,632)

Total charity funds at 31 December 2021 were £51,077 (31 December 2020: £64,026).

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, in normal circumstances, their reserves policy should be to retain a notional balance of between £0 and £10,000 in general unrestricted funds to allow for possible unfunded future administrative expenditure.

General unrestricted funds at 31 December 2021 were £21,853 (31 December 2020: £11,552). Given the plans for the future described below, it is not expected that, in the medium term, this level of reserves will be maintained.

Plans for the future

In 2022, the charity will continue to undertake the programmes that are being funded by the restricted donations that have been received to date.

In addition, if appropriate grant applications are received in the year, these will be funded from unrestricted reserves. New donations will also be accepted but the current expectation is that, at some point in the future, the charity will be wound up. At that time, any surplus funds will be donated to another charity with similar interests and objects.

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.

Fortius Research and Education Foundation

Trustees' Annual Report

For the year ended 31 December 2021

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 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

Fortius Research and Education Foundation

Trustees' Annual Report


For the year ended 31 December 2021

- 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 2019 was 5 (31 December 2018: 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.

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 15th September 2022 and signed on their behalf by:

DocuSigned by:

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James Calder
Chair

Fortius Research and Education Foundation**Statement of financial activities** (incorporating an income and expenditure account)**For the year ended 31 December 2021**

	Note	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Income from:					
Donations	2	10,555	–	10,555	8,010
Total income		10,555	–	10,555	8,010
Expenditure on:					
Raising funds		–	–	–	–
Charitable activities					
Research and Education	3	(254)	(23,250)	(23,504)	(25,642)
Total expenditure		(254)	(23,250)	(23,504)	(25,642)
Net income/(deficit) for the period		10,301	(23,250)	(12,949)	(17,632)
Reconciliation of funds:					
Total funds brought forward		11,552	52,474	64,026	81,658
Total funds carried forward		21,853	29,224	51,077	64,026

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 2021

	Note	2021 £	2020 £
Current assets:			
Cash at bank and in hand		51,092	66,232
		<u>51,092</u>	<u>66,232</u>
Liabilities:			
Creditors: amounts falling due within one year	8	(15)	(2,206)
		<u>51,077</u>	<u>64,026</u>
Total net assets		<u>51,077</u>	<u>64,026</u>
The funds of the charity:	10		
Restricted funds		29,224	52,474
Unrestricted general funds		21,853	11,552
		<u>-</u>	<u>-</u>
Total charity funds		<u>51,077</u>	<u>64,026</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 15th September 2022 and signed on their behalf by:

DocuSigned by:
James Calder
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James Calder
Chair

DocuSigned by:
Andrew Amis
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Andrew Amis
Trustee

Fortius Research and Education Foundation

Notes to the financial statements

For the year ended 31 December 2021

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 6EQ.

The company was incorporated on 17 November 2016.

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.

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 an unconditional decision to make the grant has been confirmed by the trustees but payment to the grantee has not yet been made.

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	2021 Total
	£	£	£
Fortius Group Limited	7,641	–	7,641
Other corporations	69	–	69
Individuals	2,845	–	2,845
	<hr/>	<hr/>	<hr/>

Total donations 2021	10,555	-	10,555
<i>Prior year:</i>			
	Unrestricted	Restricted	2020
	£	£	Total
			£
Fortius Group Limited	-	-	-
Other corporations	68	6,867	6,935
Individuals	75	1,000	1,075
Total donations 2020	143	7,867	8,010

3 Analysis of expenditure

*Current
year:*

	Raising funds £	Charitable activities: Research and Education £	Governance costs £	Support costs £	2021 Total £
Grants payable	-	23,250	-	-	23,250
Independent examiner's costs	-	-	-	-	-
Bank charges	-	-	-	104	104
Filing costs	-	-	-	150	150
	-	23,250	-	254	23,504
Support costs	-	254	-	(254)	-
Governance costs	-	-	-	-	-
Total expenditure 2021	-	23,504	-	-	23,504

Prior year:

	Raising funds	Charitable activities: Research and Education	Governance costs	Support costs	2020 Total
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	£	£	£	£	£
Grants payable	-	24,394	-	-	24,394
Independent examiner's costs	-	-	1,200	-	1,200
Bank charges	-	-	-	58	58
Exchange differences	-	-	-	(10)	(10)
	-	24,394	1,200	48	25,642
Support costs	-	48	-	(48)	-
Governance costs	-	1,200	(1,200)	-	-
Total expenditure 2020	-	25,642	-	-	25,642

Grants payable from unrestricted funds amounted to £NIL (2020: £5,000)

In the opinion of the trustees, in both periods, all of the support and governance costs should be allocated to unrestricted funds.

4 Net income for the period

This is stated after charging:

	2021	2020
	£	£
Independent examiner's remuneration (excluding VAT):	-	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"). Prior to its acquisition on 2 March 2021 by Affidea Diagnostics BV, all three were shareholders in FGL and both James Calder and Andrew Williams were also directors of FGL. Subsequently, all three have continued to be actively involved with 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 year to 31 December 2021, an unrestricted donation of £7,641 was received from FGL.

As described in Note 10, James Calder is involved in a number of research projects that are part-funded by the charity's restricted funds.

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

	2021	2020
	£	£
Grants payable	-	1,000
Bank charges payable	15	6
Fees payable to independent examiner (including VAT)	-	1,200
	<u>15</u>	<u>2,206</u>

9 Analysis of net assets between funds

	General unrestricted	Restricted	Total funds
	£	£	£
Net current assets	21,853	29,224	51,077
Net assets at 31 December 2021	21,853	29,224	51,077

10 Movements in funds

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
Restricted funds:				
Smith and Nephew Fellowship Fund	18,000	-	(18,000)	-
Arthrex Foot and Ankle Research Fund	34,474	-	(5,250)	29,224
Total restricted funds	52,474	-	(23,250)	29,224
Unrestricted funds:				
General funds	11,552	10,555	(254)	21,853
Total unrestricted funds	11,552	10,555	(254)	21,853
Total funds	52,499	10,555	(23,504)	51,077

Purposes of restricted funds

The Smith & Nephew Fellowship Fund was established by a restricted donation received from Smith & Nephew Orthopaedics AG. The fund has been used to part-fund the costs 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.

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 fund was used to pay PhD registration fees for a foot and ankle clinical fellow who is investigating the epidemiology and outcomes of lateral ligament ankle injuries in professional footballers in order to develop objective measures to guide return to play. In addition, £3,000 was used to part-fund the Foot and Ankle fellows referred to above.

11 Future commitments

As at 31 December 2021, the charity had future commitments to pay grants from restricted funds of £6,882. These commitments have not been recognised as liabilities because payment is conditional on the grantee meeting the charity's requirements.

12 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.