

**Charity Registration No. 1095190**

**Company Registration No. 04539916 (England and Wales)**

**EUROPEAN ORTHODONTIC SOCIETY  
(a company limited by guarantee)**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

# EUROPEAN ORTHODONTIC SOCIETY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Professor D Bister Professor C Katsaros Professor F McDonald Professor C Laspos Professor B Kahl-Nieke Dr J O'Neill Professor O Sorel Professor V Vandeveska-Radunovic Dr A Puigdollers Dr I Marek Professor P Pirttiniemi Professor D Halazonetis Professor P Crismani Professor P Fudalej Dr F E Geoghegan	(Appointed 30 June 2020)
<b>Secretary</b>	Professor D Bister	
<b>Charity number</b>	1095190	
<b>Company number</b>	04539916	
<b>Registered office</b>	Flat 20 49 Hallam Street London W1W 6JN	
<b>Independent auditors</b>	Gerald Edelman 73 Cornhill London EC3V 3QQ	
<b>Bankers</b>	Santander UK Plc 2 Triton Square Regents Place London NW1 3AN	
<b>Investment advisors</b>	J. M. Finn & Co 4 Coleman Street London EC2R 5TA	

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# EUROPEAN ORTHODONTIC SOCIETY

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# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The Trustees present their annual report and consolidated accounts for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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) (updated October 2019)"

#### **Objectives and activities**

The principal object of the Society is to advance all aspects of orthodontics and its relations with the collateral arts and sciences for the public benefit. In particular focus is made on the following:

- Providing a source of reliable up-to-date information on orthodontics and orthodontic practice through publications, the Society's website, and the media.
- Maintaining and promoting the highest standards of patient care and sharing information about orthodontics with patients, political bodies and professional organisations.
- Providing continuing professional education for orthodontists through the European Orthodontic Society Conference and through the European Journal of Orthodontics.
- Advancing orthodontic knowledge by funding orthodontic research for the improvement of patient care through the Society's Awards programme, and through publication of the European Journal of Orthodontics, which is a highly respected international journal.
- Maintaining and promoting the highest standards of patient care through the European Board of Orthodontist examination.
- Providing the highest levels of education through the European Orthodontic Society ("EOS") sponsored Distinguished Teacher Award.

The Trustees confirm that, in their opinion, they have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission, in planning the activities and strategy of the Society as well as in the exercise of their powers and responsibilities as detailed in the governing document and under charity law.

The EOS has a number of key charitable objectives including:

- To advance all aspects of orthodontics and its relations with the collateral arts and sciences for public and patient benefit.
- The furtherance of orthodontics amongst all branches of the dental profession working in private practice, hospitals and universities throughout Europe, with the ultimate aim of enhancing patient care.

The EOS continues to fulfil these key charitable objectives, through the Annual Congress and the following:

#### **Annual Congress**

The Annual Congress is a key tool through which the objectives of the charity are achieved especially as to education and collaboration. This enables members to be provided with a higher level of specialisation and skill resulting in more efficient and beneficial patient treatment thus meeting the public benefit requirement. The details of the 2019 Congress are detailed below. However, the world pandemic of COVID-19 has impacted on the Hamburg congress in 2020, which was cancelled, and will also impact the planned Cyprus congress in 2021.

#### **EOS Congress 2019**

The EOS congress continued to be a major source of education and networking for the membership and is attended by both members and non-EOS members.

The 95th EOS congress with the residing President, Olivier Sorel, was held in Nice for the 2,200 delegates attending the congress at the Nice Acropolis Convention Center, France from the 17th to the 22nd June 2019.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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Monday, the 17th June, the meeting commenced with the European Board of Orthodontists (EBO) examination, for which 29 candidates had applied, and the European Federation of Orthodontic Specialists Associations (EFOSA) and European Postgraduate Students Orthodontic Society (EPSOS) meetings. The Network of Erasmus Based European Orthodontic Postgraduate Programmes (NEBEOP) meeting and the Teachers' Forum took place on Tuesday, the 18th June, with David Rice and Timo Peltomäki leading discussions on communication between postgraduate schools in Europe. The pre-congress course on that day was given by Junji Sugawara on 'Absolute anchorage in orthodontics' and the postgraduate course by Giuseppe Scuzzo and Kyoto Takemoto on 'Evolution of the lingual straightwire technique'. These popular courses were well attended and received excellent feedback.

In the evening delegates were welcomed by the President to the opening ceremony. The compere for the evening was Stephanie Renouvin who commenced the evening with a presentation by Emmanuel Martinod, a thoracic and pulmonary surgeon, who gave an extremely interesting talk on the 'Feasibility of bioengineered tracheal and bronchial reconstruction using stented aortic matrices'. This was followed by delightful singing by the Choeur des Enfants de l'Opéra de Nice and dancing performed by The Shadows. The opening of the trade exhibition then took place, with more than 63 exhibitors, 58 sponsors and five professional associations in attendance. Delegates from a large number of countries were able to meet up with colleagues and make new contacts. The trade exhibition, which was open throughout the meeting, attracted many delegates, particularly during the coffee breaks and lunch hours. The terrace at the venue also proved extremely popular – a place to sit and discuss the various lectures and short oral presentations.

The scientific programme on Wednesday the 18th June commenced with three Houston Oral Research presentations by Fabrizia d'Apuzzo of Italy, Minna Kämäräinen of Finland and Caryl Wilson-Nagrani of the UK on 'Evaluation of biochemical and structural changes in the periodontal ligament after orthodontic tooth movement by means of micro-Raman spectroscopy', 'Association between quality of life and severity of profile deviation in prospective orthognathic patients' and 'Cleft susceptibility loci contribute towards variations in normal lip phenotypes', respectively.

This was followed by the Sheldon Friel Lecture given by Lee Graber of the USA on 'Quo Vadis Orthodontic Treatment: A Glance to the Past, A Focus on the Future'. This most interesting presentation included discussion of some proactive means by which the future of orthodontic patient care may be positively influenced.

The keynote speaker for the morning session was Véronique David of France who spoke on the 'Molecular basis and diagnosis of midline anomalies of the foetal brain' and for the afternoon session Aurélie Majoureaux-Bouriez and Patrick Goudot of France spoke on the topics of 'Cleft lip and palate patients: how to simplify treatment and to optimize long term outcomes' and 'Splintless orthognathic surgery', respectively. More than 50 short oral presentations were given by delegates from a large number of countries throughout the congress.

The keynote lectures on Thursday the 19th June were on a wide range of topics: 'Three ways to go - from good to great' (Giuseppe Scuzzo, Italy), 'Facts and fiction about oral hygiene' (Paul-Georg Jost-Brinkmann, Germany), 'Space closure in patients with missing upper incisors: how to correct the occlusion for long-term health' (Marco Rosa, Italy), 'Long-term stability following the surgery first approach in Class III patients (Junji Sugawara, Japan) and 'Lingual orthodontics and three-dimensional imaging' (Anna Kari Hajati, Sweden). The European Journal of Orthodontics session during the lunch period was on 'Digital orthodontics friend or foe?' with Björn Ludwig of Germany speaking on 'Clinical perspectives' and Dirk Wiechmann of Germany on 'Clinical and technical developments'. The poster session, at which presenters stand by their posters, allowing those interested in the topic to discuss their research findings in more detail, took place in the afternoon. Approximately 600 clinical and scientific posters were on display on a wide variety of subjects and, as always, this was extremely well attended.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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Keynote lectures on Friday, the 20th June were given by Esben Aagaard (Denmark) on 'Surgical management of temporomandibular joint disorders when traditional conservative management fails', Simon Littlewood (UK) on 'Retention: evidence-based factors affecting success', Ali Darendeliler (Australia) on 'The jury is back and we have a verdict: accelerated tooth movement is on trial!' and Benedict Wilmes (Germany) on 'Management of sagittal, transversal and vertical asymmetries using temporary anchorage devices'.

The following presentations were made at the award ceremony: Lee Graber, Sheldon Friel Memorial Lecturer; Ewa Czochrowska, Distinguished Teacher 2020; Caryl Wilson-Nagrani UK (Houston Oral Research); Mohit Chand UK (Houston Poster Research); Anke Krämer (Sweden), Haidi Omar (United Arab Emirate), Elizabeth Bradley (UK) and Ylva Brorsson (Sweden) (EOS Poster prizes); and Jasmina Primozic, Slovenia (Francesca Miotti Award). Full membership of the European Board Of Orthodontics ("EBO") was awarded to: Fabio Federici Canova, Jan Danz, Giorgio Garofalo, Redi Gerxhani, Uta Goenner, Alexander Johner, Enzo Pasciuti and Yana Popova. Provisional membership (Part I) of the EBO was awarded to: Sofian Ameer, Fabrizia d'Apuzzo, Makram Ammoury, Maria Doughan, Benedikt Schober, Christian Schütz and Kinan Zeno. The University of Barcelona, Spain was awarded full membership of the Network of Erasmus Based European Orthodontic Programmes (NEBEOP). The winner of the Beni Solow Award for the best article published in the European Journal of Orthodontics in 2018 was Niko Bock *et al.* who gave a short presentation on 'Long-term ( $\geq 15$  years) post-treatment changes and outcome quality after Class II:1 treatment in comparison to untreated Class I controls' following the presentation of this award. The session finished with the EOS Business Meeting where the officers of the Society, the editor of the EJO and the Presidents of the EBO and NEBEOP gave their reports. Dirk Bister was ratified as the Honorary Secretary from June 2020. Olivier Sorel then passed the badge of office to Bärbel Kahl-Nieke, President for 2020 in Hamburg.

#### European Journal of Orthodontics (EJO)

The EJO continues to be a major source of education for orthodontists worldwide. During 2019, 597 original articles were submitted to the EJO (Original articles 493, Randomized Controlled Trials, 30, Systematic reviews 62, Commentaries 2, Letters to the Editor 6, Book reviews 4). According to the 2017 Journal Citation Reports® (Thomson Reuters, 2016), the impact factor of the EJO increased to 2.03. In the category of Dentistry, Oral Surgery & Medicine the EJO has remained in the 2nd quartile of journals and ranks 29th out of 90. The JIF percentile (Journal Impact Factor percentile) rose to 68.7%. This significant achievement ensures that high quality research publications are readily available for orthodontists to read worldwide.

At present upwards of 7,000 institutions can access the journal, often provided as part of a library package of journals. There are currently 103 eligible countries in the reduced cost initiative – 61 of these countries are free access and 42 are reduced rate.

Free online access to the EJO for not-for-profit institutes was available either directly through Oxford University Press, or through initiatives with INASP or WHO (HINARI). Discounted rates continued to be given to a number of middle-income countries. The number of eligible institutions fluctuates year-on-year as some countries leave the scheme while others join (eligibility is based predominantly on the World Bank Rankings and the Human Development Index). Such access increases access to the orthodontic literature in countries which may not otherwise be able to provide this opportunity.

#### European Board of Orthodontists (EBO)

To enhance the standing of education and clinical patient care internationally, the EBO continues to develop. There are currently 140 EBO members from countries throughout both Europe and Asia. The examination on 17th June 2019 was held during the EOS Congress in Nice, France. Full membership of the EBO was awarded to Federici Canova Fabio, Garofalo Giorgio, Gerxhani Redi, Goenner Uta, Pasciuti Enzo, Danz Jan, Johner Alexander and Popova Yana.

Provisional members of the European Board of Orthodontists were Ameer Sofian, d'Apuzzo Fabrizia, Doughan Maria, Ammoury Makram, Schober Benedikt, Schütz Christian and Zeno Kinan.

It was also reported that for the first time this year records could also be submitted digitally with the appropriate data protection in place. It is hoped this will encourage increased numbers to apply to sit the examination.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### **Liaison with other Societies**

The close co-operation that exists with other Societies has continued. Representative of the European Federation of Orthodontic Specialists Association (EFOSA) attended the meetings of the EOS and Dirk Bister represented the EOS at the EFOSA meetings. Representatives of the American Association of Orthodontists were present at the Congress in France and were provided with a booth to promote their Society. This arrangement was reciprocated at their meeting also. Dirk Bister, the EOS representative, attended the meetings of the Platform for Better Oral Health in Europe.

#### **Teaching and Education**

The 12th meeting of the Network of Erasmus Based European Orthodontic Programmes (NEBEOP) took place on the 17th June 2019, and the Network continues to work hard to enhance orthodontic education throughout Europe. The universities of Barcelona and Warsaw have been accepted as full members, making 38 full members and 21 provisional members; altogether approximately 50 members. There are approximately 130 orthodontic programmes in Europe. Research that was undertaken by members of NEBEOP had identified 168 programmes and at the end of the study had received 100 responses of which 38 of the 100 said they were NEBEOP members. Of those, two-thirds were active and one-third provisional. Only full members can use the NEBEOP logo or make reference to NEBEOP membership in letters or advertising. One application had been received from Palacky University of the Czech Republic. There was to be a new member accepted at the next meeting in Hamburg: Sheffield, UK (which will be the second school in the UK accepted as a full member). Sarajevo and the University of Murcia, Spain will probably also be new members. Some schools were required to apply for renewal as they were coming to the end of their seven year term and site visits would be required. Two schools would be re-evaluated this year.

The 14th meeting of the European Orthodontic Teachers' Forum (EOTF), which was attended by 80 representatives from dental schools throughout Europe, was held on the same day. There were presentations from four different speakers on the topic of 'Short courses leading to a Masters. A new era in orthodontic education?'. This is an area of growing concern within the Orthodontic community in that the public are potentially being mis-sold treatment procedures. The meetings were supported financially by both the EOS and EFOSA to cover the cost of the speakers and by provision of a room and technical equipment by the EOS.

The European Orthodontic Society also continues with NEBEOP as a sister company to protect the reserves of the charity in case a university challenges the recognition process offered by NEBEOP.

The EOS also provided a room for the meeting of the European Postgraduate Students Orthodontic Society (EPSOS) at the annual congress. The Distinguished Teacher lectures, which are provided to enhance education and are free for postgraduate students of all nationalities, continue to be funded by the EOS. The Distinguished Teacher in 2019 was Professor Timo Peltomäki from Finland. The first of his one-day lectures took place in Debrecen, Hungary in April 2019 and was attended by around 60 participants from all four Hungarian universities, and from Romania, Serbia, Slovenia, Slovakia, the Netherlands, Italy, Iran, Norway, Israel, and the USA and the second of his lectures took place in September 2019 in Stockholm, Sweden and was attended by more than 60 postgraduate students from Sweden, Finland and Norway, as well as some of their teachers. The residents interacted actively with Professor Peltomäki's inspiring presentation which covered the fundamental principles of craniofacial growth and new insights about biological explanations for craniofacial growth control. A great portion of the lectures was devoted to the role of orthodontists in dealing with sleep apnoea, particularly in children.

The 2020 Distinguished Teacher is Ewa Czochrowska of Poland who will give lectures in Sofia, Bulgaria and Barcelona, Spain.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Grants

There were 12 eligible applications for EOS grants in 2019. All applications were sent for external refereeing and were then considered by the members of the Grants Committee [Lorenzo Franchi (Italy), Thomas Präger (Germany), Maria Ransjo (Sweden), Bart Vande Vannet (Belgium), and Susan Cunningham (UK)]. All members scored the applications and they were then ranked based on scores received. A teleconference was then held in April 2019 and a decision made to fund three grants:

- Helen Pullisaar (University of Oslo, Norway): CAD/CAM fixed retainers versus conventional multi-stranded fixed retainers in orthodontic patients. Comparison of stability, retainer failure rate, adverse effects, cost-effectiveness, and patient satisfaction. A randomised controlled clinical trial (two-centre study). [Euros 20,000]
- Sophy Barber (University of Leeds), Kate Kenny, Ewa Czochowska, Pawel Plakwicz, Peter Day, Nadine Houghton (Multi centre study):[£19,120]
- Maria Cadenas de Llano Pérula (University of Leuven): Prevalence of caries in non-syndromic cleft lip and palate patients. [£15,892]

The provision of grants is an important way in which the charity meets its public benefit requirement. In March 2020 the Board reviewed its distribution policy and increased substantially its annual grant targets. For further details please see note 24.

However the charity has struggled to attract grant applications since the year end as , many universities and higher education establishments, have been unable to restart non-COVID-19 research programmes. This may have an impact on future applications for prizes and research grants until such time as the COVID-19 crisis passes.

#### EOS Membership

There are currently 3971 members (including 918 postgraduate students) of the EOS from 89 different countries.

All the activities undertaken by the EOS, including the awarding of grants, the Distinguished Teacher Lectures, the Annual Congress, publication of the EJO, the EBO examination, the activities of the Teachers' Forum and NEBEOP, all aim to improve the education of postgraduates and orthodontists and those interested in orthodontics, thus resulting in improved advice to the public and patients and, overall, enhanced patient care.

#### Investment performance

A gain on disposal and revaluation of quoted investments accrued in the year of £225,839 (2018 Loss £125,788). The Trustees consider that investment performance over the medium and long term has been satisfactory in meeting the targets initially set. The Trustees consult with the investment managers on a regular basis to review the portfolios held with special attention given to the equity portfolio to ensure that the return in terms of capital growth meet the targets actually set. As detailed in prior years the portfolio is now split into four different funds.

The investments in the 'Houston Memorial Reserve Fund' and the 'Awards and Distinction Fund' are invested to provide a sustained level of income as detailed in note 24 to the accounts. Over the medium and long term, these stocks have performed satisfactorily as their capital value was increased whilst maintaining the income stream.

The investment in the 'Development and Research Fund' is made with a target of achieving a balance of income and capital growth. Upon establishing this fund the Trustees agreed that a realistic projected overall return in the medium to long term was a rate of 5% per annum. Since the inception of this target the projected return has been exceeded.

The other fund is the Francesca Miotti fund . Please see note 24 for further details.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Financial review

The net income for the year amounted to £541,577 (2018: £107,285) which includes a gain on revaluation and disposal of investments amounting to £225,839 as described above. The surplus on the publication of the journal was £43,169 (2018: £24,147). The surplus on its Congress held in Nice has been calculated at £244,228 (2018: £310,191) (see note 5).

The Statement of Financial Activities shows that income from all sources amounted to £1,732,260 (2018: £1,678,202). The increase of £54,058 stems primarily from an increase in income from annual subscriptions of £17,938 and rental income from the investment property of £21,032. The income on the sale of publications issued by the society was £166,698 (2018: £147,068). Investment income on listed investments for the year was £64,451 (2018: £60,404).

Expenditure decreased by the sum of £28,607 to the sum of £1,416,522 (2018: £1,445,129). Research grants and other awards were made of £52,388 (2018: £189,963). Overall management costs, both direct and indirect increased to £145,507 (2018: £127,142). The expenditure on the annual Congress increased by £65,077, but such expenditure varies on an annual basis due to the factors previously mentioned.

Scrutiny of the balance sheet reveals net assets held by the society of £3,793,280 compared to the prior year figure of £3,251,703 representing an increase of £541,577. Cash retained was £253,685 (2018: £120,848) at the balance sheet date. The Trustees hold a leasehold property at Hallam Street, London, W1 which is utilised for the purposes of the management and administration of the society. For this reason the property has been included in the accounts at cost as allowed by the Statement of Recommended Practice. The Trustees are of the opinion that the actual market value is substantially in excess of cost. A further property is also retained at Hallam Street to be held for investment purposes which had a market value of £596,839 at the balance sheet date.

The Trustees have reviewed the ongoing funding requirements with regard to future research grants and other awards to be made by the Society. It has previously been agreed that separate designated funds be established in order that sufficient income should accrue on an annual basis to finance anticipated payments. Three funds have been established as described in note 24 in order to fulfill the detailed objectives. The Trustees have reviewed the distribution policy of each fund given their current value and the positive returns that have accrued in recent years. The targeted distribution rate at the inception of each fund was 5% of initial value. The targeted distributions have now been increased to 5% of current fund value. The new targets are detailed in note 24 to the accounts. The total of £3,438,993 (2018: £2,503,827) was held as designated funds at the balance sheet date.

At 31 December 2019 the Charity had free reserves of £45,447 (2018: £441,880). This total excludes funds designated for other purposes and fixed assets.

The charity also has a subsidiary which is used for the purposes of the Annual Congress. Through this subsidiary Company (EOS Congress Company Limited) the European Orthodontic Society was due to hold its annual congress in Hamburg during June 2020. As a consequence of the COVID-19 pandemic the congress was cancelled. This impacted on all activities associated with the Congress. There were no insurance policies which could be used to affray the costs associated with cancellation of the event. The financial impact is believed to be minimal as the Congress was held via the subsidiary company which is now in liquidation. Thus the assets of the charity are fully protected. Please see notes 5 and 18 for further details. All profits of the subsidiary company were transferred to the charity via the gift aid scheme in the 2019 year.

The investment portfolio held as at December 2019 had a market value of £2,847,911 aimed at producing income and capital growth to support the Society's charitable activities. The portfolio is invested in UK equities and quoted fixed interest bonds. A review of the overall portfolios at the balance sheet date shows holdings of quoted bonds of 34% (2018 - 42%) with the balance held in equities of 66% (2018: 58%). Due to the extremely low returns available as fixed interest bonds mature the proceeds have been reinvested into equities where the potential overall return is greater. Also there has been substantial additional investment in equities via the Development Fund which has received significant distributions in the current year.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and have developed a risk management strategy which involves the following:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face
- the establishment of policies, systems and procedures to mitigate risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

The financial and legal aspects of the cancellation of the Hamburg congress have demonstrated the complex nature of organising Congresses within legal frameworks outside of United Kingdom legislation. A substantial tool in protecting the charity from significant financial detriment has been the formation of a subsidiary company for congress contracting. This was established in 2013 and had worked effectively until 2020.

Plans are being developed to manage future risks ranging from another cancellation in 2021 (due to world events which may or may not be COVID-19 related), delivering the whole congress on-line (the financial model is still to be defined), a blended congress with reduced numbers and supported online or a traditional congress. If the latter route is followed the financial model of the congress must now be more robustly structured potentially using only a UK based congress organiser who can liaise with local international contacts, or establishing a financial bond to work with the charity. There is also a plan to offer specialised Continuing Professional Development over the year for all members.

#### **Structure, governance and management**

The charitable company is limited by guarantee and was established on 18th September 2002. The business of the society was previously carried on via an unincorporated charity. On 29 June 2013 the charitable company adopted new articles of association designed to improve the governance of the charity.

The Trustees, who are also the directors for the purpose of company law, and who served during the period from 1 January 2019 were:

Professor D Bister	
Professor S Cunningham	(Resigned 30 June 2020)
Professor G De Pauw	(Retired 30 June 2020)
Professor J Huggare	(Resigned 30 June 2020)
Professor C Katsaros	
Professor F McDonald	
Professor C Laspos	
Professor B Kahl-Nieke	
Dr J O'Neill	
Professor O Sorel	
Professor V Vandeska-Radunovic	
Dr A Puigdollers	
Dr I Marek	
Professor P Pirttiniemi	
Professor D Halazonetis	
Professor P Crismani	(Appointed 30 June 2020)
Professor P Fudalej	
Dr F E Geoghegan	(Appointed 25 June 2019)

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The council consists of a minimum number of sixteen officers including a President, the immediate Past President, five Presidents Elect, three Past Presidents and the elected officers, a Secretary and a Treasurer. The term of each office varies. Members of the Council are appointed as follows:

- a) The Presidents Elect and all of the elected positions are elected by a ballot of the membership.
- b) At the conclusion of each AGM the President Elect that has served the longest automatically takes up to the office of President. The term of office is one year.
- c) Upon the expiry of their term of office the outgoing President automatically succeeds to the office of immediate Past President for a period of one year and the outgoing immediate Past President succeeds to the office of Past President for a period of a further three years.

No member of the Council can serve more than one term in the same office other than the Honorary Secretary and the Honorary Treasurer.

All Trustees are kept up to date with ongoing developments in charity law and practice with appropriate training courses being considered if appropriate. It is the policy of the Board to provide new Trustees with all relevant information appertaining to the charity and its affairs upon induction in order that they can obtain a sufficient level of knowledge to enable them to perform their roles effectively.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Policy and long term planning decisions regarding the affairs of the Society are made at Council meetings which are attended by all Trustees and take place three times a year. Issues are resolved on a majority vote. Each member of the Council has one vote except those Trustees who have been co-opted.

The management on a day to day basis is controlled by the Executive Council which meets four or more times a year. Administrative matters are undertaken by staff based at the London office owned by the Society in Hallam Street, London W1.

#### **Statement of Trustees' responsibilities**

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

The auditor, Gerald Edelman, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

# EUROPEAN ORTHODONTIC SOCIETY

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2019*

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The Trustees report was approved by the Board and signed on its behalf by:-

**Professor F McDonald**

Trustee

Dated: 12 October 2020

# EUROPEAN ORTHODONTIC SOCIETY

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EUROPEAN ORTHODONTIC SOCIETY

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#### Opinion

We have audited the financial statements of European Orthodontic Society (the 'charity') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# EUROPEAN ORTHODONTIC SOCIETY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EUROPEAN ORTHODONTIC SOCIETY

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or 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 Trustees 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' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# EUROPEAN ORTHODONTIC SOCIETY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EUROPEAN ORTHODONTIC SOCIETY

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#### **Use of 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 auditors' 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.

**Hiten Patel FCCA**  
**(Senior Statutory Auditor)**  
**for and on behalf of Gerald Edelman**

12 October 2020

**Chartered Accountants**  
**Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ

# EUROPEAN ORTHODONTIC SOCIETY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds £	Designated funds £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Income from charitable activities	4	1,646,471	-	1,646,471	1,617,798
Investment income	6	306	85,483	85,789	60,404
<b>Total income</b>		<b>1,646,777</b>	<b>85,483</b>	<b>1,732,260</b>	<b>1,678,202</b>
<b>Expenditure on:</b>					
Costs of raising funds	7	-	42,830	42,830	29,455
Charitable activities	8	1,330,321	43,371	1,373,692	1,415,674
<b>Total expenditure</b>		<b>1,330,321</b>	<b>86,201</b>	<b>1,416,522</b>	<b>1,445,129</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>316,456</b>	<b>(718)</b>	<b>315,738</b>	<b>233,073</b>
Net gain/(loss) on investments	14	-	225,839	225,839	(125,788)
<b>Net incoming resources before transfers</b>		<b>316,456</b>	<b>225,121</b>	<b>541,577</b>	<b>107,285</b>
Gross transfers between funds	24	(710,000)	710,000	-	-
<b>Net income for the year</b>		<b>(393,544)</b>	<b>935,121</b>	<b>541,577</b>	<b>107,285</b>
Fund balances at 1 January 2019		747,831	2,503,872	3,251,703	3,144,418
Fund balances at 31 December 2019		354,287	3,438,993	3,793,280	3,251,703

The consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# EUROPEAN ORTHODONTIC SOCIETY

## CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Fixed assets</b>					
Tangible assets	15	308,840	305,951	308,840	305,951
Investment properties	16	596,839	596,839	596,839	596,839
Investments	17	2,847,911	2,220,863	2,847,912	2,220,864
		<u>3,753,590</u>	<u>3,123,653</u>	<u>3,753,591</u>	<u>3,123,654</u>
<b>Current assets</b>					
Debtors	20	13,745	224,617	143,167	227,528
Investments	21	9,459	19,221	9,459	19,221
Cash at bank and in hand		244,226	101,727	108,105	92,815
		<u>267,430</u>	<u>345,565</u>	<u>260,731</u>	<u>339,564</u>
<b>Creditors: amounts falling due within one year</b>	22	<b>(227,740)</b>	<b>(217,515)</b>	<b>(221,242)</b>	<b>(211,515)</b>
<b>Net current assets</b>		<b>39,690</b>	<b>128,050</b>	<b>39,489</b>	<b>128,049</b>
<b>Net assets</b>		<b>3,793,280</b>	<b>3,251,703</b>	<b>3,793,080</b>	<b>3,251,703</b>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	24	3,438,993	2,203,872	3,438,993	2,203,872
General unrestricted funds		354,287	1,047,831	354,287	1,047,831
		<u>3,793,280</u>	<u>3,251,703</u>	<u>3,793,280</u>	<u>3,251,703</u>

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board and authorised for issue on 12 October 2020 and were signed on its behalf by:

.....  
 Professor F McDonald  
**Trustee**

**Company Registration No. 04539916**

# EUROPEAN ORTHODONTIC SOCIETY

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28		451,931		270,198
<b>Investing activities</b>					
Purchase of tangible fixed assets		(3,774)		-	
Purchase of investment property		-		(596,839)	
Purchase of investments		(886,765)		(634,245)	
Proceeds on disposal of investments		485,556		575,011	
Investment income		85,789		60,404	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/ (used in) investing activities</b>			(319,194)		(595,669)
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			132,737		(325,471)
Cash and cash equivalents at beginning of year			120,948		446,419
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>253,685</u>		<u>120,948</u>

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# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### 1 Accounting policies

#### Company information

European Orthodontic Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Flat 20, 49 Hallam Street, London, W1W 6JN.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary EOS Congress Company Limited on a line-by-line-basis. The subsidiary has the same accounting reference date.

After the year end, the subsidiary company ceased to trade and a liquidator was appointed. Refer to note 26 for further details.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Subscriptions from members are recognised in the year in which they fall due. The charity invoices for these fees in advance and as such the accounts include a creditor for deferred income. Income receivable regarding the Annual Congress are accounted for on an accruals basis.

Investment income receivable such as dividends is recognised when received. All other investment income is accounted for on an accruals basis.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All resources expended are accounted for on an accruals basis. Any irrecoverable VAT is charged to the expense to which it relates.

Costs of raising funds represents the fees incurred in connection with the management of the investment portfolios.

Charitable expenditure relates to grants payable as well as costs of services and activities provided to members of the charity. The latter costs include those incurred directly and those of an indirect nature necessary to support them. Included in charitable expenditure are support and governance costs with the latter including expenses relating to the charity's compliance with regulations and good practice.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computers	25% reducing balance
Fixtures, fittings & equipment	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Long leasehold properties are included in the accounts at cost and are retained by the charity for its own use. No depreciation is provided in respect of long leasehold properties, as their unexpired lease terms exceeds 50 years.

#### Capitalisation policy

The charity capitalises expenditure of a fixed asset nature only when the cost exceeds £500.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period).

#### 1.13 Taxation

As a registered charity the Society is exempt from taxation on its activities which fall within the scope of part 10 ITA 2007 and section 256 of the Taxation of Chargeable Gains Act 1992.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Critical accounting estimates and judgements

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

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

### 3 Charity SOFA Summary

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary whose principal activity is the management of an annual congress on behalf of its parent company. The summary financial performance of the charity alone is:

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Donations from subsidiary	<b>237,901</b>	304,341
Investment income	<b>85,494</b>	60,201
Income from charitable activities	<b>371,592</b>	335,553
Cost of raising funds	<b>(42,830)</b>	(29,455)
Expenditure on charitable activities	<b>(336,419)</b>	(437,567)
	<hr/>	<hr/>
Net income for the year	<b>315,738</b>	233,073
Gains on investment assets	<b>225,839</b>	(125,788)
	<hr/>	<hr/>
Net movement in funds	<b>541,577</b>	107,285
<b>Fund balances at 1 January 2019</b>	<b>3,251,703</b>	3,144,418
<b>Fund balances at 31 December 2019</b>	<b>3,793,280</b>	3,251,703
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Unrestricted funds	<b>3,793,280</b>	3,251,703
	<hr/> <hr/>	<hr/> <hr/>
	<b>3,793,280</b>	3,251,703

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Income from charitable activities

	2019	2018
	£	£
Members subscriptions and other fees	196,693	178,755
Examinations	8,400	9,500
Annual conference	1,274,680	1,282,475
Publications	166,698	147,068
	<u>1,646,471</u>	<u>1,617,798</u>

### 5 Subsidiary company activities

The charity has a wholly owned subsidiary company incorporated in the United Kingdom. Any profits generated by the company are paid to the charity under the gift aid scheme.

On 6 August 2020 the company ceased trading and entered into administration.

Below shows a summary of the trading results of the subsidiary:

<b>EOS Congress Company Limited</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2018</b>
	£	£
<b>Profit and Loss Account</b>		
Turnover	1,274,680	1,282,245
Management expenses	(1,030,744)	(972,054)
Other expenses	(6,330)	(6,053)
Interest receivable	295	203
	<u>237,901</u>	<u>304,341</u>
Net profit	237,901	304,341
Amount gift aided to parent undertaking	(237,901)	(304,341)
	<u>-</u>	<u>-</u>
Net profit in retained in the year	-	-

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Subsidiary company activities

(Continued)

At 31 December 2019 the net assets and reserves of the company were as follows:

	Total 2019 £	Total 2018 £
<b>Assets and Liabilities</b>		
Current assets	137,322	212,339
Current liabilities	(137,322)	(212,339)
	-	-
<b>Net Liabilities</b>		
Represented by:		
Share capital	1	1
Reserves	(1)	(1)
	-	-

Shown below is the breakdown of the Annual Congress results held in the year in Nice

	Total 2019 £	Total 2018 £
<b>Income</b>		
Registration and other fees	658,892	767,051
Exhibition and sponsorship income	551,751	469,375
Other income	22,967	1,303
Social events	41,070	44,516
	1,274,680	1,282,245
<b>Expenditure</b>		
Exhibition costs	65,982	116,446
Printing and marketing	54,874	24,106
Hire of venue and associated costs	289,333	210,538
Hotel and travel expenses	29,989	2,059
Catering and entertainment costs	385,451	345,656
Management and administration	178,334	215,680
Other conference expenses	26,489	57,569
	1,030,452	972,054
<b>Total net income</b>	244,228	310,191

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Investment income

	Unrestricted funds £	Designated funds £	Total 2019 £	Total 2018 £
Rental income	-	21,032	<b>21,032</b>	-
Income from listed investments	-	64,451	<b>64,451</b>	60,182
Bank interest receivable	306	-	<b>306</b>	222
<b>For the year ended 31 December 2019</b>	<u>306</u>	<u>85,483</u>	<u><b>85,789</b></u>	<u>60,404</u>
For the year ended 31 December 2018	<u>222</u>	<u>60,182</u>		<u>60,404</u>

### 7 Costs of raising funds

	Designated funds £	Total 2019 £	Total 2018 £
Investment property expenses	12,001	<b>12,001</b>	-
Investment managers' fees	30,829	<b>30,829</b>	29,455
	<u>42,830</u>	<u><b>42,830</b></u>	<u>29,455</u>

### 8 Charitable activities

	Unrestricted funds £	Designated funds £	Total 2019 £	Total 2018 £
Conference costs	<b>1,036,775</b>	-	<b>1,036,775</b>	971,698
Cost of publications	<b>123,529</b>	-	<b>123,529</b>	122,921
European Board of Orthodontists exam costs	<b>9,328</b>	-	<b>9,328</b>	1,994
Executive meetings	<b>6,165</b>	-	<b>6,165</b>	1,956
	<u>1,175,797</u>	<u>-</u>	<u><b>1,175,797</b></u>	<u>1,098,569</u>
Grant funding of activities (see note 9)	<b>9,017</b>	<b>43,371</b>	<b>52,388</b>	189,963
Support costs (including governance costs (see note 10))	<b>145,507</b>	-	<b>145,507</b>	127,142
<b>For the year ended 31 December 2019</b>	<u><b>1,330,321</b></u>	<u><b>43,371</b></u>	<u><b>1,373,692</b></u>	<u>1,415,674</u>
For the year ended 31 December 2018	<u>1,273,075</u>	<u>142,599</u>		<u>1,415,674</u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Grants payable

	Unrestricted funds £	Designated funds £	2019 £	2018 £
Grants to institutions:				
NEBEOP	3,017	-	<b>3,017</b>	-
Grants to individuals	6,000	43,371	<b>49,371</b>	189,963
	<u>9,017</u>	<u>43,371</u>	<u><b>52,388</b></u>	<u>189,963</u>
	<u><u>47,364</u></u>	<u><u>142,599</u></u>		<u><u>189,963</u></u>

### 10 Support costs (including governance costs)

	2019 £	2018 £
Staff costs	<b>67,076</b>	63,405
Depreciation	<b>884</b>	478
Council meetings	<b>11,400</b>	8,585
Rent and rates	<b>10,125</b>	9,240
Insurance	<b>759</b>	779
Stationery and printing	<b>4,770</b>	3,304
Telephone and postage	<b>12,091</b>	11,607
Computer and website expenses	<b>8,862</b>	8,150
Light, heat and sundries	<b>34</b>	1,034
Bank and credit card charges	<b>9,315</b>	6,635
Repairs	<b>4,701</b>	-
<b>Governance costs</b>		
Audit fees	<b>14,128</b>	10,995
Legal and professional	<b>1,362</b>	2,930
	<u><b>145,507</b></u>	<u>127,142</u>

### 11 Net movement in funds

	2019 £	2018 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	885	478
Investments revaluation	210,386	(137,672)
	<u>211,271</u>	<u>(137,194)</u>

### 12 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, 6 (2018: 16) of them were reimbursed a total of £20,596 (2018: £14,793) in respect of travelling, hotel and other expenses incurred in connection with the activities of the Society.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 13 Employees

#### Number of employees

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Administration	<u>2</u>	<u>2</u>

#### Employment costs

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>62,986</b>	68,638
Social security costs/(reclaimable)	<b>3,255</b>	(5,844)
Other pension costs	<b>835</b>	611
	<u><b>67,076</b></u>	<u>63,405</u>

There were no employees whose annual remuneration was £60,000 or more.

### 14 Net gains/(losses) on investments

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Revaluation of investments	<b>210,386</b>	(137,672)
Gain on sale of investments	<b>15,453</b>	11,884
	<u><b>225,839</b></u>	<u>(125,788)</u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Tangible fixed assets Group and Charity	Long leasehold property £	Computers £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2019	302,231	28,125	40,613	<b>370,969</b>
Additions	-	1,875	1,899	<b>3,774</b>
At 31 December 2019	<u>302,231</u>	<u>30,000</u>	<u>42,512</u>	<b><u>374,743</u></b>
<b>Depreciation and impairment</b>				
At 1 January 2019	-	27,834	37,184	<b>65,018</b>
Depreciation charged in the year	-	542	343	<b>885</b>
At 31 December 2019	<u>-</u>	<u>28,376</u>	<u>37,527</u>	<b><u>65,903</u></b>
<b>Carrying amount</b>				
At 31 December 2019	<u>302,231</u>	<u>1,624</u>	<u>4,985</u>	<b><u>308,840</u></b>
At 31 December 2018	<u>302,231</u>	<u>291</u>	<u>3,429</u>	<b><u>305,951</u></b>

All of the tangible fixed assets are retained for use by the charity.

The market value of the leasehold property is far in excess of cost.

16 Investment property	2019 £
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	<b><u>596,839</u></b>
<b>Carrying value</b>	
At 1 January 2019 and 31 December 2019	<u>596,839</u>

The fair value of the investment property was based in the prior year on the acquisition cost in December 2018. In the current year the Trustees have arrived at the fair value by reference to market evidence of transaction prices for similar properties.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 Fixed asset investments

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Investments in subsidiaries	18	-	-	1	1
Listed investments		<b>2,847,911</b>	2,220,863	<b>2,847,911</b>	2,220,863
		<u><b>2,847,911</b></u>	<u>2,220,863</u>	<u><b>2,847,912</b></u>	<u>2,220,864</u>
		<b>2019</b> £	<b>2018</b> £	<b>2019</b> £	<b>2018</b> £
Listed investments carrying amount		<u><b>2,847,911</b></u>	<u>2,220,863</u>	<u><b>2,847,911</b></u>	<u>2,220,863</u>

### Movements in fixed asset investments Group and Charity

	Equities, funds & bonds £
<b>Cost or valuation</b>	
At 1 January 2019	2,220,863
Additions	884,764
Valuation changes	210,386
Disposals	(468,102)
At 31 December 2019	<u>2,847,911</u>
<b>Carrying amount</b>	
At 31 December 2019	<u><u>2,847,911</u></u>
At 31 December 2018	<u><u>2,220,863</u></u>
Investments at fair value comprise:	
	£
Equities	1,895,814
Fixed interest securities	952,097
	<u>2,847,911</u>
The historical cost of the investments held at the balance sheet date was:	<u><u>2,440,708</u></u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Subsidiaries

Details of the charity's subsidiaries at 31 December 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
EOS Congress Company Ltd	United Kingdom Conference management	Ordinary shares	100.00	-

Please see note 5 for further details regarding the subsidiary company.

After the year end, the subsidiary company ceased to trade and a liquidator was appointed. Refer to note 26 for further details.

19 Financial instruments	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	13,745	224,617	143,167	227,528
Instruments measured at fair value through profit or loss	2,847,911	2,220,863	2,847,912	2,220,863
	<u>2,861,656</u>	<u>2,445,480</u>	<u>2,991,079</u>	<u>2,448,391</u>
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	227,740	217,515	221,242	211,515
	<u>227,740</u>	<u>217,515</u>	<u>221,242</u>	<u>211,515</u>
<b>20 Debtors</b>	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Amounts due from subsidiary undertakings	-	-	130,622	206,339
Other debtors	6,527	57,736	5,327	9,155
Prepayments and accrued income	7,218	166,881	7,218	12,034
	<u>13,745</u>	<u>224,617</u>	<u>143,167</u>	<u>227,528</u>

A sum of £130,622 (2018: £206,339) was due to the charity from its subsidiary EOS Congress Company Limited. On 6 August 2020, EOS Congress Company Limited entered liquidation, and at that date the expected recoverable amount of this loan was £74,455.

### 21 Current asset investments

Group and charity	2019	2018
	£	£
Cash deposits	9,459	19,221
	<u>9,459</u>	<u>19,221</u>

Current asset investments relate to cash held by independent fund managers for re-investment.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 22 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Other taxation and social security	1,639	1,895	1,639	1,895
Trade creditors	1,755	-	-	-
Other creditors	209,736	202,312	209,736	202,312
Accruals and deferred income	14,610	13,308	9,667	7,308
	<u>227,740</u>	<u>217,515</u>	<u>221,042</u>	<u>211,515</u>

### 23 Share capital

The company has no share capital being limited by guarantee. The members will contribute a maximum of £10 each in the event of liquidation.

### 24 Designated funds

The movements on designated funds during the year was as follows:

	Balance at 1 January 2019 £	Incoming resources £	Movement in funds			Balance at 31 December 2019 £
			Resources expended £	Transfers £	Investments gains/ (losses) £	
Houston Memorial	614,010	15,001	(8,454)	-	53,952	674,509
Development and Research	1,360,145	59,243	(66,031)	710,000	122,780	2,186,137
Awards and Distinction	508,877	10,450	(11,716)	-	46,348	553,959
Francesca Miotti Fund	20,840	789	-	-	2,759	24,388
	<u>2,503,872</u>	<u>85,483</u>	<u>(86,201)</u>	<u>710,000</u>	<u>225,839</u>	<u>3,438,993</u>

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 24 Designated funds

(Continued)

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes.

##### **Houston Memorial Reserve Fund**

This fund is utilised for the provision of special annual awards to deserving students judged by a panel of the Trustees and presented at the Annual Congress. The targeted distribution as set in prior years included a scholarship for research of £60,000 paid every three years equivalent to £20,000 per annum. The Trustees have now reviewed these targets in line with current fund value and the positive returns that have accrued in recent years. As a result of this the Trustees have now set new targets for fund distributions going forward which includes scholarship for research of £90,000 paid every two years equivalent to £30,000 per annum.

In the year under review the total return of both income and accrued capital gains amounted to a gain of £60,499 (2018: loss of £17,059).

##### **Development and Research Fund**

This fund is utilised to pay grants and scholarships to research students on a discretionary basis as well as funding any new initiatives determined by the Board which enhance the aims and objectives of the Society. The targeted distribution rate as set in prior years was grants from this fund at a minimum of £50,000 per annum. The Trustees have now reviewed these targets in line with current fund value and the positive returns and additional contributions that have accrued in recent years. As a result of this the Trustees have now set new targets for fund distributions going forward at a minimum of £110,000 per annum.

Further transfers were made to this fund of £710,000 (2018: £300,000) based on the results of the Annual Congress and other factors in recent years. In the year under review the total return of both income and accrued gains amounted to a gain of £115,992 (2018: loss of £37,986).

##### **Awards and Distinction Fund**

This fund is utilised to pay grants on a discretionary basis to teachers where special merit has been achieved. The target for anticipated expenditure in prior years on this fund was £20,000 per annum which includes the Beni Solow award, the Sheldon Friel Award and the Distinguished Teachers Award. The Trustees have now reviewed these targets in line with current fund value and the positive returns that have accrued in recent years. As a result of this the Trustees have now set new targets for fund distributions going forward which includes a targeted distribution rate of £27,500 per annum.

In the year under review the total return of both income and accrued capital gains amounted to a gain of £45,082 (2018: loss of £9,309).

##### **Francesca Miotti Fund**

A legacy of £20,000, which was received in 2016 was bequeathed to the Society in memory of Francesca Miotti, a former director and president-elect. The fund was set up with the guidance that it was to be used to fund research and other grants. In the year under review the total return of both income and accrued capital gains amounted to a gain of £3,548.

##### **Investments**

Included in the assets attributable to designated funds are quoted investments of £2,847,911 (2018: £2,220,863) on which there are unrealised gains of £407,202 (2018: £269,939). No separate revaluation reserve is included in these accounts regarding such gains.

# EUROPEAN ORTHODONTIC SOCIETY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 25 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total
	£	£	£
Fund balances at 31 December 2019 are represented by:			
Tangible assets	308,840	-	308,840
Investment properties	-	596,839	596,839
Investments	-	2,847,911	2,847,911
Net current assets	30,231	9,459	39,690
Inter fund loan	15,216	(15,216)	-
	<u>354,287</u>	<u>3,438,993</u>	<u>3,793,280</u>

### 26 Events after the reporting date

On 6 August 2020, EOS Congress Company Limited, a subsidiary of the charity, ceased to trade and a liquidator was appointed. Except for the expected loss of a proportion of the debtor balance due to the charity (as disclosed in note 20), no financial impact on the charity is expected.

### 27 Related party transactions

During the year, the charity paid a grant totalling £3,017 (2018: £nil) from its unrestricted funds to NEBEOPLimited, a company which is partially owned and controlled by a trustee of the charity.

Except for the above, there were no disclosable related party transactions during the year (2018: none).

### 28 Cash generated from operations

	2019	2018
	£	£
Surplus for the year	541,577	107,285
Adjustments for:		
Investment income recognised in profit or loss	(85,789)	(60,404)
Gain on disposal of investments	(15,453)	(11,884)
Fair value loss and gain on investments	(210,386)	137,672
Depreciation and impairment of tangible fixed assets	885	478
Movements in working capital:		
Decrease in debtors	210,872	167,983
Increase/(decrease) in creditors	10,225	(70,932)
<b>Cash generated from operations</b>	<u>451,931</u>	<u>270,198</u>