

THE SOCIETY OF ORTHOPAEDIC MEDICINE

**Annual Report and
Statement Of Accounts**

Year Ended 31 May 2008

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Contents to the Accounts for the Year Ended 31 May 2008

	PAGE
Company Information	1
Report of the Council	2 - 5
Independent Auditors' Report	6
Statement of Financial Activities (Incorporating an income and expenditure account)	7
Balance Sheet	8
Notes to the Financial Statements	9 - 15

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Company Information for the Year Ended 31 May 2008

The Society of Orthopaedic Medicine was formed in 1979 and incorporated on 11 January 1983 as a Company limited by guarantee and not having a share capital.

The Company was registered with the Charities Commission on 17 January 1990 as a charity whose purpose is to promote Orthopaedic Medicine through education and the funding of research.

Registered Numbers:

Registrar of Companies 1700787 (England and Wales)

Charities Commission 802164

Registered Office Dalton House
60 Windsor Avenue
London
SW19 2RR

Members of the Council Dr E Atkins (Chairman)
Ms A Clough
Ms D Cox
Ms E Goodlad
Mr P Hattam
Dr D Knott
Dr C Monella
Mrs F Ottewell (Secretary)
Dr D Reid
Dr N Shaw
Mr S Verstraelen

Ms A-M Ainscough Potts (ex officio, Honorary Treasurer)
Dr K Bush (ex officio, President)

Executive Director Ms J Kermode

Auditors Waterworths
Registered Auditors
Chartered Accountants
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

Bankers National Westminster Bank Plc
Clapham Junction Branch
66/68 St John's Road
Clapham Junction
London
SW11 1PB

Investment Managers Dowry Financial Management Ltd
Dowry House
3 Grove Road
Redland
Bristol
BS6 6UJ

SOCIETY OF ORTHOPAEDIC MEDICINE

Report of the Council for the Year Ended 31 May 2008

The Council, who for the purposes of Company Law are Directors of the Company, submit their Report and Accounts for the year ended 31 May 2008.

The legal and administrative information set out on page 1 forms part of this report.

Statement of Council's Responsibilities

The Council are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and applications of resources, including the net income or expenditure, for the year. In preparing those financial statements, the Council are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council confirm that the financial statements comply with current statutory requirements and with the requirements of the charity's Memorandum and Articles of Association.

<u>Members of the Council</u>		<u>Appointed</u>	<u>Resigned</u>
Chairman	Dr E Atkins	03/12/05	
Honorary President (ex officio)	Dr K Bush	02/12/06	
Honorary Treasurer (ex officio)	Ms A-M Ainscough Potts	04/12/99	
Secretary	Mrs F Ottewell	03/12/05	
Other Members of Council	Ms A Clough	01/12/02	
	Ms D Cox	01/12/07	
	Ms E Goodlad	06/12/03	
	Mr P Hattam	02/12/06	
	Dr D Knott	01/12/00	
	Dr C Monella	04/12/04	
	Dr D Reid	03/12/05	
	Dr N Shaw	03/12/05	
	Mr S Verstraelen	01/12/07	
	Mr J Flynn	04/12/04	01/12/07
	Mrs F Pedler	01/12/89	01/12/07

Members of the Council are elected/re-elected at the Annual General Meeting by the membership. During the last year, Ms D Cox and Mr S Verstraelen were elected to join Council, Dr C Monella was re-elected as a Council member and Dr E Atkins was elected as Chairman of Council.

A minority of trustees are remunerated by the Society for their professional services in teaching orthopaedic medicine on behalf of the Society of Orthopaedic Medicine. The Society governance includes strict policies and procedures in place to safeguard the organisation against any potential conflict of interest that might arise through such remuneration. Note 17 accompanying the accounts details the amounts paid to Council members for their professional services. No Council members are remunerated for their trusteeship services.

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Report of the Council for the Year Ended 31 May 2008

(Continued)

Methods adopted for the recruitment and appointment of new Trustees

A call for nominations for trustees was sent to all SOM members in advance of the Annual General Meeting, nominees completed a form outlining their suitability and were elected at the AGM held 1 December 2007.

Trustee induction and training

All newly-elected trustees are sent an information pack which includes past minutes of Council meetings, Charity Commission information including 'Responsibilities of Charity Trustees', newsletter updates and link to the Charity Commission web site, a copy of the Memorandum and Articles of Association, a copy of the SOM Reserves Policy and the SOM Committee Terms

of Reference. Trustees are updated on SOM activities and performance through regular email communications, at Council meetings and strategic planning meetings.

Organisational Structure

The SOM trustees are the main decision-makers for the organisation, and the trustee board is known as Council. Sub-committees include the Education Committee, Finance Committee and Research Committee. All Committees have specific Terms of Reference which outline their responsibilities and reporting structure. All sub-committees report to the SOM Council.

Annual budgets are prepared by the Executive Director for approval by the Finance Committee and Council (trustees). Any additional expenditure outside of the approved budget requires approval by a majority of Trustees.

The Executive Director manages the performance and administration of the organisation, and attends all Council and Committee meetings.

Risk Management

The Council has assessed the major risks to which the charity is exposed. These have been particularly identified to be the operations and finance of the Society, with specific concern being applied to the success of courses and presentations put on by the Society. The Council are satisfied that systems are in place to mitigate the Society's exposure to major risks. These procedures are reviewed annually to ensure that they still meet the needs of the Society.

Objectives and Strategies

The Society was established "for the benefit of the public in relieving sickness by promoting and advancing the use, study and science of Orthopaedic Medicine and by providing facilities for treatment, education, study and research therein".

The Society's objectives and strategies are constantly being reviewed by the Council Members during Council and Education Committee meetings which are held twice per annum. Additional strategic planning meetings are held if deemed necessary and questionnaires are sent to the membership to ascertain their views on any major topics that may require changes to the current constitution.

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Report of the Council for the Year Ended 31 May 2008

(Continued)

Achievements and performance

The Society's activities during the past 12 months have focused mainly on consolidating the current educational offering with the Diploma course, annual symposium and MSc programme continuing to be successful and profitable for the organisation.

We have continued to offer a membership package for physiotherapists and doctors, and subscription figures at 31 December 2007 were:

Full membership	889
Associate membership	343
Fellows	40
Honorary	7
TOTAL MEMBERSHIP	1,279

178 associate members passed both the written and practical membership examinations and in doing so became eligible to be full members of the Society.

Compared to previous years, the Society has not performed well during 2007 and has experienced a significant drop in courses income. Following the previous years' successes the SOM trustees decided that in certain circumstances courses may be run at a financial loss and that the reputational benefit to the Society would be sufficient to mitigate the loss. It was agreed that running such loss leader courses would be an appropriate use of the Society's reserves that had been accumulating significantly in recent years. Furthermore, trustees identified a declining interest to teach on SOM courses during the last 3 years, which if allowed to continue would result in the Society being unable to fulfil its core activity of educating physiotherapists and doctors. A benchmarking exercise was undertaken and it was clear that the current remuneration for professional teaching was not at all competitive, therefore it was decided to increase the fees paid to tutors to be in line with the marketplace. The SOM trustees have recently undertaken a comprehensive strategic planning process, and are satisfied that there are robust tactics in place to ensure that the Society remains sustainable and fulfils its objects.

During 2007 the Society ran 39 diploma module courses which continued to be popular and successful, although not always financially profitable. We also provided further courses for students that have completed the diploma, encompassing modules on The Theory and Practice of Injection Therapy, and Advanced Clinical Practice in Orthopaedic Medicine. Both of these modules have remained popular attracting both attendees linked to the masters programme as well as independent attendees. The SOM MSc Orthopaedic Medicine has continued to be successful and is a collaborative programme with Middlesex University with the Society taking full responsibility for its administration.

The Society of Orthopaedic Medicine produces a journal in conjunction with the British Institute for Musculoskeletal Medicine, *The Journal of Orthopaedic Medicine*, and this has been re-launched as *International Musculoskeletal Medicine*. The updated version has been rebranded and includes many new features such as online submissions.

Investment Policy and Performance

Council has considered the most appropriate policy for investing funds, taking account of the Society's requirement that such investments must be secure, that the value of the capital involved must be maintained and that ready access to the invested funds must be available. Council feels that a combination of holdings in UK collective investment schemes and bank deposits satisfies these criteria. A total of £250,000 has been invested in a broad portfolio of funds, £171,000 of which was invested during the last 12 months.

The Society currently holds readily available funds in two Reserve Accounts on which interest is received every quarter. As at 31 May 2008 the reserve accounts held £302,221 (2007: £495,176) with interest received during the year being £11,146 (2007: £10,643). The Society also has a current account, which at the year-end was overdrawn by £11,999 (2007: £19,936 overdrawn).

Grant making policy

The SOM Research Committee advises the trustees on grant making policies. The current SOM research grants are open to applications from SOM members to assist with research projects that are particularly relevant to furthering the field of orthopaedic medicine.

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Report of the Council for the Year Ended 31 May 2008

(Continued)

Reserves Policy

As at 31 May 2008 the Society held unrestricted funds of £384,332 (2007: £472,227) while expenditure for the year of operation was £491,351 (2007: £417,472). A total of £250,000 from the reserves has been invested in a broad range of funds, of which £171,000 was invested during the last 12 months. Trustees identified a declining interest to teach on SOM courses during the last 3 years, which if allowed to continue would result in the Society being unable to fulfil its core activity of educating physiotherapists and doctors. A benchmarking exercise was undertaken and it was clear that the current remuneration for professional teaching was not at all competitive, therefore it was decided to increase the fees paid to tutors to be in line with the marketplace. This important strategic decision is an investment in tutor retention, and the Trustees agreed to fund the resulting deficit through SOM free reserves, thus safeguarding the future and enabling the Society to continue with activities core to its purpose.

The Trustees and Finance Committee have continued discussions on the use of the remaining free reserves. The previous policy had been to maintain unrestricted funds at a level to equate with twelve months resources expended, however the Society recognises that this might not be appropriate and work is underway to update the policy as a priority. Once the emerging strategic plan has been developed the priorities for future SOM activities and risks to be mitigated will be clarified, therefore informing the future use of reserves.

Provision of information to the auditors

So far as the Council are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Council have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Waterworths, Chartered Accountants of Blackburn be reappointed as auditors of the company will be put to the Annual General Meeting.

ON BEHALF OF THE COUNCIL

Dr E Atkins

Chairman

Dated: 8 October 2008

A-M Ainscough Potts

Honorary Treasurer

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Independent Auditors' Report to the Members of The Society of Orthopaedic Medicine

We have audited the financial statements of The Society of Orthopaedic Medicine for the year ended 31 May 2008 set out on pages 7 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described in the Statement of Council's Responsibilities the charity's Council (who are also the directors of The Society of Orthopaedic Medicine) are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Council is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the other information contained in the Report of the Council and consider whether it is consistent with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Council is consistent with the financial statements.

Waterworths
Chartered Accountants
Registered Auditors
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

Dated: 10 October 2008

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Statement of Financial Activities (including Income and Expenditure Account) for the Year ended 31 May 2008

	Notes	2008 £	2007 £
INCOMING RESOURCES			
<i>Incoming resources from charitable activities:</i>			
Promotion of orthopaedic medicine	3	420,167	449,894
<i>Incoming resources from generated funds:</i>			
Investment income	4	17,598	12,613
<i>Other incoming resources</i>		692	8,523
Total incoming resources		438,457	471,030
RESOURCES EXPENDED			
<i>Charitable activities:</i>			
Promotion of orthopaedic medicine	5	487,475	413,917
<i>Governance costs</i>	9	3,876	3,555
Total resources expended		491,351	417,472
Net (outgoing)/incoming resources		(52,894)	53,558
Realised investment gains		-	350
Net (expenditure)/income for the financial year		(52,894)	53,908
Other recognised gains and losses			
Unrealised investment (losses)/gains	12	(35,201)	9,498
Net movement in funds		(88,095)	63,406
Total funds brought forward		472,427	409,021
Total funds carried forward		384,332	472,427

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities and represent the application of unrestricted funds.

Note of Historical Cost Income & Expenditure for the Year Ended 31 May 2008

	2008 £	2007 £
Reported Net Income	(88,095)	53,908
Realisation of unrealised investment gains of prior years	-	697
Historical Cost Net Income	(88,095)	54,605

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Balance Sheet as at 31 May 2008

	Notes	2008	2007
		£	£
FIXED ASSETS			
Tangible assets	11	5,707	7,686
Investments	12	248,620	107,720
CURRENT ASSETS			
Stocks	13	-	720
Debtors	14	44,259	53,139
Cash at bank and in hand		290,222	476,079
		<u>334,481</u>	<u>529,938</u>
CREDITORS			
Amounts falling due within one year	15	204,476	172,917
			<u>172,917</u>
NET CURRENT ASSETS		130,005	357,021
		<u>130,005</u>	<u>357,021</u>
NET ASSETS		384,332	472,427
		<u>384,332</u>	<u>472,427</u>
Capital and Reserves			
Members – unrestricted funds (inc. a Revaluation Reserve of £nil; 2007 £23,648)	16	384,332	472,427
		<u>384,332</u>	<u>472,427</u>

Approved by the Council and authorised for issue on 8 October 2008.

Dr E Atkins

Chairman

A-M Ainscough Potts

Honorary Treasurer

The notes form part of these financial statements.

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Notes to the Accounts for the Year Ended 31 May 2008

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) and in accordance with applicable UK Accounting Standards and the Companies Act 1985.

The charity has taken advantage of the exemption in Financial Reporting Standard No1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The comparative balance sheet has been restated to better reflect the long-term nature of the investments of the charity. There is no profit impact of this restatement.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Incoming resources

Charitable trading activities

Income from courses and examinations is included in incoming resources in the period in which the relevant event takes place.

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting period, the income is deferred until those periods.
- When donors impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is include in incoming resources of restricted funds when receivable.

Interest receivable

Interest is included when receivable by the charity.

Resources expended

Resources expended (including grants payable) are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Tangible fixed assets

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:.

Medical equipment	-	25% on reducing balance
Slides	-	25% on reducing balance
Office equipment	-	25% on reducing balance

Investments

Investments are included at market value. Realised and unrealised gains and losses are reported in the Statement of Financial Activities.

Taxation

The Society is exempt from UK taxation under Section 505 ICTA 1988.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. These relate to income and expenditure arising in Canada, the USA and Eire.

Stock

Stocks are valued at the lower of cost or net realisable value.

THE SOCIETY OF ORTHOPAEDIC MEDICINE

**Notes to the Accounts for the Year Ended 31 May 2008
(Continued)**

2 NET (OUTGOING)/INCOMING RESOURCES

The net expenditure/income for the year is stated after charging:

	2008	2007
	£	£
Depreciation	1,903	2,562
Auditors' remuneration	3,876	3,525
	458,179	458,179

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2008	2007
	£	£
Subscriptions	33,515	46,958
Courses and examinations	386,652	402,936
	420,167	449,894

4 INVESTMENT INCOME

	2008	2007
	£	£
Income from UK listed investments	6,452	1,970
Bank deposit interest	11,146	10,643
	17,598	12,613

5 ANALYSIS OF CHARITABLE EXPENDITURE

		2008	2007
		£	£
Direct Charitable activities	6	341,787	313,304
Charitable grants	7	11,805	10,300
Support costs	8	133,883	90,313
		487,475	413,917

6 DIRECT CHARITABLE ACTIVITIES

	2008	2007
	£	£
Course and examination expenses	324,100	284,342
Printing and newsletter	4,780	7,247
Conferences and meetings	12,907	21,715
	341,787	313,304

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Notes to the Accounts for the Year Ended 31 May 2008

(Continued)

7 CHARITABLE GRANTS

	2008	2007
	£	£
Grants – Research Fellow Bursary	10,000	10,000
Grants - Individuals	1,805	300
	<hr/>	<hr/>
	11,805	10,300
	<hr/> <hr/>	<hr/> <hr/>

8 SUPPORT COSTS

	2008	2007
	£	£
Postage and stationery	7,586	5,621
Management and administration	97,388	57,833
Travel and subsistence	-	1,908
Telecommunications	413	768
Finance charges	3,870	3,846
Insurance	5,030	2,231
Consultancy	7,578	9,906
Sundries	1,041	1,652
Bad debts	-	(3,089)
Promotion and advertising	7,711	7,075
Legal & professional	1,287	-
Depreciation	1,903	2,562
Loss on disposal of asset	76	-
	<hr/>	<hr/>
	133,883	90,313
	<hr/> <hr/>	<hr/> <hr/>

Included within Management and administration costs are staff costs as detailed in Note 10.

9 GOVERNANCE COSTS

	2008	2007
	£	£
Audit	3,876	3,555
	<hr/> <hr/>	<hr/> <hr/>

10 EMPLOYEES

	2008	2007
Number of Employees (excluding Council)	1	-
Staff costs comprise:	£	£
- Wages and salaries	27,000	-
- Social security costs	2,950	-
	<hr/>	<hr/>
	29,950	-
	<hr/> <hr/>	<hr/> <hr/>

No employees earned over £60,000.

The expenditure is included in management and administration expenses.

THE SOCIETY OF ORTHOPAEDIC MEDICINE

**Notes to the Accounts for the Year Ended 31 May 2008
(Continued)**

11 TANGIBLE FIXED ASSETS

	<u>Direct Charitable Purposes</u>			<u>Other</u>	Total £
	Medical Equip £	Slides £	Sub- Total £	Office Equip £	
Cost					
At 1 June 2007	9,511	2,208	11,719	19,282	31,001
Disposal	-	(2,208)	(2,208)	-	(2,208)
At 31 May 2008	9,511	-	9,511	19,282	28,793
Depreciation					
At 1 June 2007	5,691	2,132	7,823	15,492	23,315
Charge for Year	955	-	955	948	1,903
Eliminated on Disposal	-	(2,132)	(2,132)	-	(2,132)
At 31 May 2008	6,646	-	6,646	16,440	23,086
Net Book Value					
At 31 May 2008	2,865	-	2,865	2,842	5,707
At 31 May 2007	3,820	76	3,896	3,790	7,686

THE SOCIETY OF ORTHOPAEDIC MEDICINE

**Notes to the Accounts for the Year Ended 31 May 2008
(Continued)**

12 INVESTMENTS

	2008	2007
	£	£
Listed investments (all UK)	<u>248,620</u>	<u>107,720</u>
	Listed	
	Investments	
	£	
Market value at 1 June 2007	107,720	
Re-investment of distributions	5,101	
Additions	171,000	
Losses on revaluation	<u>(35,201)</u>	
Market value at 31 May 2008	<u>248,620</u>	
Historic cost at 31 May 2008	<u>260,173</u>	

The investments consist of Open Ended Investment Company and Unit Trust accumulation fund investments. The following investments are considered material and represent more than 5% of the total investments of the company:

	2008		2007	
	£	%	£	%
New Star Property Unit Trust (accumulation)	20,960	8.4	26,699	24.8
Standard Life Investments Higher Income Fund (accumulation)	22,982	9.2	24,726	23.0
Invesco Perpetual Monthly Income Plus Fund (accumulation)	24,630	9.9	25,092	23.3
Liontrust First Income Fund	-	-	14,946	13.9
New Star Global Financial Fund (accumulation)	-	-	10,838	10.1
Threadneedle Managed Income Fund	19,200	7.7	-	-
Old Mutual Select Fund	21,878	8.8	-	-
Capital CF Midas Balanced Growth Fund	21,913	8.8	-	-
Capital CF Ruffer European Fund	25,698	10.3	-	-
Henderson Global Care Income Fund	20,451	8.2	-	-

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Notes to the Accounts for the Year Ended 31 May 2008

(Continued)

13 STOCKS

	2008	2007
	£	£
Text books for resale	-	720
	<u> </u>	<u> </u>

14 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank deposit interest	1,184	2,232
Course fees	39,771	49,499
Prepayments	1,677	786
Other debtors	1,627	622
	<u> </u>	<u> </u>
	<u>44,259</u>	<u>53,139</u>

15 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	33,023	33,198
Accruals	20,409	3,525
Prepaid subscriptions and course income	148,813	136,194
Social security and other taxes	2,231	-
	<u> </u>	<u> </u>
	<u>204,476</u>	<u>172,917</u>

16 RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2008		2007	
	Revaluation Reserve	Unrestricted Funds	Revaluation Reserve	Unrestricted Funds
	£	£	£	£
At 1 June 2007	23,648	448,779	14,848	394,173
Movement in resources:				
Incoming	-	438,457	-	471,030
Outgoing	-	(491,351)	-	(417,472)
Realised gain on investments	-	-	-	1,048
Unrealised revaluation (loss)/gain on investments	(23,648)	(11,553)	8,800	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2008	<u> </u>	<u>384,332</u>	<u>23,648</u>	<u>448,779</u>

THE SOCIETY OF ORTHOPAEDIC MEDICINE

Notes to the Accounts for the Year Ended 31 May 2008 (Continued)

17 RELATED PARTY TRANSACTIONS

Council members are not remunerated for their services as Council members.

The following payments relate to the provision of professional services of Council members organising, attending and lecturing at courses and the reimbursement of expenses incurred.

	2008 £	2007 £
Fees	51,294	55,750
Reimbursed expenses	8,648	4,508
	<u>59,942</u>	<u>60,258</u>

The expenditure is included in course and examination expenses.

Also during the year grants were made to council members for research totalling £450. This expenditure is included in grants – individual.

18 LIABILITY OF MEMBERS OF THE COMPANY

Every member undertakes to contribute to the assets of the Society in the event of it being wound up whilst a member, or within one year thereafter, for the payment of debts and liabilities of the Society contracted before the time at which membership ceased, and of the costs charges and expenses of the winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required but in any case not exceeding £10.

The number of members at 31 May 2008 was 1,193 (31 May 2007: 1,310)

19 INDEMNITY

Subject to the provision of the Companies Act 1985 all members of the Council or officers of the Society shall be indemnified out of the assets of the Society against any liability incurred by them in that capacity in defending any proceedings whether civil or criminal in which judgement is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Society. The Society has entered into a contract of insurance to support this indemnity. The cost of providing the level of insurance cover required by the Society was £4,856 (2007: £2,231).