
THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Council of management Mr Timothy Wilton FRCS, Chairman (appointed 1 January 2017)
Mr Martin Bircher FRCS, Treasurer (appointed 1 January 2017)
Ms Deborah Eastwood FRCS, Secretary (appointed 1 January 2017)
Mr Ananda Nanu FRCS, Trustee (appointed 1 October 2017)
Mr Fergal Monsell FRCS, Trustee (appointed 1 January 2017)
Mr Ian Winson FRCS, Trustee (resigned 30 September 2017)

Company registered number 522061

Charity registered number 209299

Registered office 22 Buckingham Street
London
WC2N 6ET

Company Secretary Ms Deborah Eastwood FRCS

Managing Director Richard Hollingsworth

Editor, The Bone & Joint Journal Professor Fares Haddad FRCS

Investment Advisors BlackRock Investment Managers (UK) Limited
33 King William Street
London
EC4R 9AS

Independent auditor Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Bankers Coutts & Co
London
WC2R 0QS

Solicitors Olswang LLP
90 High Holborn
London
WC1V 6XX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

TRUSTEES' REPORT

The Board of Trustees of The British Editorial Society of Bone and Joint Surgery ("the Society") present their Annual Report for the year ended 31 December 2017 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that period.

REFERENCE AND ADMINISTRATIVE DETAILS

The British Editorial Society of Bone and Joint Surgery is a registered charity (No. 209299) and a company (No. 522061) limited by membership guarantees. Its registered office is as shown on page 1.

The present Trustees, and any past Trustees who served during the period, are given on page 1, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by its Memorandum and Articles of Association adopted on 23rd July 1953 and amended by Special Resolutions on 23 September 2002 and 17th September 2012.

The Board of Trustees, ("the Council of Management"), is responsible for the overall governance of the Society. Trustees are elected by, and are members of, the Editorial Society, which comprises not more than 20 people. Members are elected at the Annual General Meeting of the Society, and serve a three-year term, and can be re-elected for a further period of three years. Members of the Society should be past or present members of an Editorial Board of one of the Society's publications. A majority of members must be resident and domiciled in the UK.

Members elect the Society's Council of Management at the AGM, and the total number of Trustees may not exceed five. The President of the BOA occupies one of the five Trustee positions ex officio. The Chairman of the Council of Management is also Chairman of the Editorial Society. Elected Members of Council may remain in office for three years, and may be re-elected for up to two further three-year terms. Council elects a Chairman, Treasurer and Secretary from its elected members. The person elected as Chairman serves in that office for three years.

Each Member of Council is required to take responsibility for specific aspects of the Society's work. Council normally meets formally four times a year.

New trustees receive a copy of the Memorandum and Articles, and as they must previously either have been members of the Editorial Society, or have served on one of the Editorial Boards, they are already familiar with the major issues facing the Society. Trustee training is provided in specific areas such as investment, when required.

The Council delegates the exercise of certain powers in connection with the management and administration of the Charity as set out below. This is controlled by requiring regular reporting back to the Council, so that all decisions made under delegated powers can be ratified by the full Council in due course. The Council seeks advice from experts in advertising, finance, marketing, electronic publishing etc as required.

The Society is aware of the principles and outlined in the Charity Governance Code and is currently reviewing its governance arrangements in light of recommended practice.

REMUNERATION COMMITTEE AND MANAGEMENT REMUNERATION

The Remuneration Committee comprises the Chairman, Treasurer and Managing Director. The Committee meets annually to review staff salaries and benefits and the fees paid to independent contractors. The review takes account of performance, prevailing market rates, and any changes in the job role.

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Members of the Senior Management Team, defined as those reporting directly to the Managing Director, were paid £486,991 during the year (2016: £436,251).

MANAGING DIRECTOR AND EDITOR

The Managing Director is responsible for the day-to-day management of the Society and for implementing policies agreed by the Council of Management. The Managing Director is assisted by a group of senior managers. The Editor is responsible for directing the editorial policy of The Bone & Joint Journal, formerly known as The Journal of Bone and Joint Surgery (British Volume). He is aided by a team of Associate Editors, and by the Editorial Board. On editorial matters the Editor is accountable to the Editorial Board, and on publishing business matters to the Managing Director. The Managing Director reports to Council through the person of the Chairman. The Society publishes four other journals, each with their own Editors and Editorial Boards, and all the Society's journals, whilst editorially independent, come under the overall governance of the Council of Management.

STATEMENT OF THE COUNCIL OF MANAGEMENT'S RESPONSIBILITIES

The Council of Management are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law FRS 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The law applicable to charities in England and Wales requires the Trustees 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 application of resources of the charity for that period. In preparing these financial statements, the Council of Management are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice applicable to charities
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business."

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Council of Management is responsible for the maintenance and integrity of the corporate and financial information included in the Society's website.

The Council of Management have prepared these financial statements in accordance with FRS 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)' and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

So far as each of the Council of Management is aware, there is no relevant audit information of which the charity's auditors are unaware. Each member of the Council of Management has taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

RISK MANAGEMENT

Risks are reviewed as a part of the regular Council meetings. A Risk Register is maintained and formally approved by Council on an annual basis. Key risks reviewed include advertising sales revenue, the Impact Factors of our journals, and membership deals with orthopaedic associations. Advertising sales have been under pressure due to market conditions, including mergers within the orthopaedic industry. Membership deals with orthopaedic associations in the UK and overseas form a very important proportion of individual subscriptions, and are kept under close review.

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CONFLICT OF INTEREST

Council has adopted a policy for conflicts of interest. All the trustees and senior managers have made a declaration of potential conflicts and signed the policy. The declarations have been reviewed and no serious conflicts have arisen.

OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE CHARITY

The objects of the Society for the public benefit are defined as: "The advancement of education in, and the improvement in the practice of, orthopaedics and allied branches of surgery together with the diffusion of such knowledge throughout the world."

Our principal activity to achieve these objectives is the publication of The Bone & Joint Journal (formerly known as the British Volume of The Journal of Bone and Joint Surgery (JBJS (Br)) and related journals under the Society's Bone & Joint Publishing imprint. Other activities include: providing orthopaedic information via our websites; disseminating The Bone & Joint Journal and our other journals as widely as possible; and providing publishing services to third parties. The objectives of those activities, and the Society's achievements against them, are discussed under the heading Achievements and Performance, below. When planning our activities, the Council of Management have considered the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The Society provides public benefit by helping to increase the knowledge and skills of practising orthopaedic surgeons and researchers. Article titles and abstracts are fully searchable and freely available online for all content in The Bone & Joint Journal, and the full text of all articles over 5 years' old is also freely available.

ACHIEVEMENTS AND PERFORMANCE

From the five-year strategic plan this period's key objectives and the impact of our achievements are summarised as follows:

Publishing and Marketing The Bone & Joint Journal (formerly JBJS (Br))

Our aim is to publish the best quality papers in the science and practice of orthopaedics in The Bone & Joint Journal, and to encourage surgeons to subscribe and to read the Journal.

Submissions for publication from surgeons and researchers worldwide totalled 1,597 in calendar year 2017 (2016: 1,523). All submissions undergo a rigorous double-blind peer review process, and as a result only some 15% are accepted for publication, ensuring that the best papers in orthopaedics are published in The Bone & Joint Journal. We have continued to develop our online submissions and reviewing system which helps to ensure that we maintain our impressive response time to authors. About 90% of papers receive an initial decision from the Editor within six weeks of receipt.

Our policy is to keep the subscription rates to The Bone & Joint Journal as low as possible to increase accessibility. Surgeons in training benefit from a 50% discount on the consultant rate. At December 2017, trainee subscribers comprised some 10% of our total paid subscribers. We market the Journal worldwide in accordance with a Marketing Plan approved by Council as part of the annual budget cycle. This encompasses a wide range of activities including stands in exhibitions, approaches to orthopaedic associations, print media, email and specially designed web pages. During the period we have also used independent marketing consultants. We have signed a number of contracts with sales agents around the world to maintain and increase our institutional subscribers and are part of the Independent Scholarly Publishers Group of journals being sold to library consortia internationally.

Amongst other activities we have had stands in the technical exhibitions of the EFORT Congress in Vienna, the BOA Congress in Liverpool, the AAOS in San Diego, ISAKOS Congress in Shanghai, EPOSNA/EPOS meetings in Barcelona, and the OTA meeting in Vancouver.

The independent Hospital Readership Survey 2017 reported that 95% of orthopaedic specialists in the UK had read The Bone & Joint Journal in the preceding 12 months (2016: 96%) – the highest-rated orthopaedic journal.

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Providing orthopaedic information via the website

Our aim is to have a website which orthopaedic surgeons regard as "The Source" of reference and education.

We continued to use HighWire to manage our website at www.boneandjoint.org.uk, although made plans during 2017 to transition to a new online platform hosted by Atypon in early 2018. Every JBJS (Br)/The Bone & Joint Journal issue published since the first issue in 1948 is available in its entirety via the website and full text for all issues more than five years' old is freely available without subscription. In January 2012 we also launched a new open access journal aimed at the research community: Bone & Joint Research. This received its first Impact Factor in 2015 and in subsequent years since. In February 2012 we also launched a new summary digest journal for orthopaedic surgeons, Bone & Joint 360, whose worldwide circulation continues to grow.

We continue to expand the information for orthopaedic surgeons that is available via our website. In January 2016 we launched EFORT Open Reviews, a new open access journal, in partnership with the European Federation of National Associations of Orthopaedics and Traumatology (EFORT), and in September 2016 we signed an agreement with the European Paediatric Orthopaedic Society (EPOS) to publish Journal of Children's Orthopaedics. This launched successfully in January 2017.

To disseminate The Bone & Joint Journal as widely as possible

Our aim is to increase the understanding of how The Bone & Joint Journal is published, to encourage authors to submit their papers to us, and thus increase the educational standard of the papers we publish. We also aim to make The Bone & Joint Journal as widely available as possible, given our financial constraints, so that the educational content reaches the widest possible worldwide audience.

The Editor has given talks at orthopaedic meetings in Austria, Canada, Germany, Japan, South Korea, Taiwan, USA, UK and elsewhere on The Bone & Joint Journal and our publishing process. The Editor has also hosted well-attended Reviewers' Days at the Journal offices in London, and we continue to expand the number of reviewers in the UK and internationally.

Free distributions: we continue to support the free online distribution of The Bone & Joint Journal to over 4000 orthopaedic residents in the USA.

Local editions: We work with third-party publishers to publish local editions of selected papers, either to provide translations into major languages or to reach difficult markets more easily than we can. These local editions are typically distributed free, funded by local sponsorship. In this period, many local publishers struggled to find the necessary funding due to the economic climate.

Developing countries: We support the WHO-sponsored HINARI project that provides free online access to journals via accredited institutions in developing countries.

ABC Travelling Fellows: We provide donations to cover the travel costs of the ABC Travelling Fellows (surgeons selected by the AOA and BOA as the leaders amongst their generation to travel and learn about orthopaedic surgery in other countries) while they are in the UK, and we fund travel for UK surgeons travelling to the USA. Donations were also made to support the EFORT Mark Paterson Travelling Fellowships, to World Orthopaedic Concern (WOC) and to the British Orthopaedic Research Society (BORS).

Providing publishing services

Our aim is to work closely with national and supranational orthopaedic associations, providing production and publishing services, including those for EFORT and EPOS mentioned above. Our Orthopaedic Proceedings Supplement comprises the abstracts from presentations made at selected national and specialist society meetings worldwide. These are available free on our Orthopaedic Proceedings website. In this financial period we published 22 issues of the Orthopaedic Proceedings Supplement (2016: 23). We also published supplements from the Current Concepts in Joint Replacement meeting, and from a meeting organised by ZimmerBiomet.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA) set out on page 12, shows that total income of £2.6m was up 1.0% on the figure of £2.6m for 2016. Online sales and open access revenues, were at £376k from £374k in 2016, while subscriptions were £1.3m, up 5% from £1.3m the previous year. Expenditure on charitable activities

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increased from £2.3m in 2016 to £2.4m in 2017, mainly relating to increased publishing and marketing costs, and in providing publishing services. Total expenditure of £2.4m was up 4% on the previous year's figure of £2.3m, and this resulted in a net inflow for the period of £175k (2016: £230k). After taking into account realised and unrealised gains on investments, total fund balances increased by £1m (2016: £1.2m) to £17.6m (2016: £16.5m). These results were ahead of budget and of the Trustees' expectations.

The Society is aware of revised legislation in relation to fundraising practices and can confirm there are no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

FINANCIAL MANAGEMENT POLICIES

Reserves

The Society's reserves, currently valued at approximately £17.7m (2016: £16.5m), of which £14.5m represents the free reserves (2016: £13.4m), comprise unrestricted funds which are expendable at the discretion of the Trustees in furtherance of the charity's objects.

Why we hold the reserves

These provide an important resource which has enabled the Society to advance orthopaedic education by maintaining low subscription rates despite running a trading deficit on our publishing activities. These reserves have also allowed the Society to fund the important educational initiative of providing reduced subscription rates to trainees to encourage the newest members of the profession to subscribe to our publications in both their paper and electronic forms. The income derived from the investments is used for continuing operations and for funding new developments. These developments include continued investment in new technology for the digital transfer of information, the cost of maintaining and enhancing the website, and investment in new publishing activities in furtherance of our charitable objectives. Disinvestment is restricted to major projects such as the purchase of additional office space in 2008/09.

The Council of Management has reviewed the level of free reserves which it feels are appropriate for a Society which carries a number of major risks in its publishing activities, and believes that a figure of approximately £8-10m is required in order to mitigate risks including the following:

- the need to invest in new technology to exploit the potential of digital transfer of information
- increasing publication, printing and distribution costs
- potential decreases in advertising revenue
- potential litigation from author, patient, manufacturer or other organisation
- plans to invest in additional medical publishing activities to further our educational objectives
- fluctuations in stock market performance
- uncertainty following Brexit

The Council of Management believe that it is important for the charity to hold reserves to mitigate these risks, and to provide investment income to the Society. They are mindful that the current level is slightly higher than the £8-10m range referred to above, and will continue to keep this under review. They have also proposed to designate £0.5m of reserves for future charitable donations over a 5-10 year period to organisations involved with orthopaedic care and education in the developing world. In 2017, £50k (2016: £20k) was spent to support travelling fellowships and other charitable donations.

What level (or range) of reserves the trustees believe the charity needs

The Council of Management regularly reviews the level of reserves which it feels are appropriate for a charitable medical publisher and Council believes that the current level of reserves enables us to achieve our charitable objectives. In order to maintain this level of reserves, Council has given the Investment Managers the investment objective of maximising long-term total return while also providing income.

Arrangements for monitoring and reviewing the policy

The Treasurer and Managing Director meet regularly with our Investment Managers, BlackRock, to review our targets, the Investment Managers' performance against them, and to assess whether our invested assets are at an appropriate level. The Treasurer reports the outcome of these meetings back to Council. The Trustees are keeping under review the impact of changes in the global economy on our principal sources of income – subscriptions and advertising – and on our costs. Significant changes in these might require a revision of the Reserves Policy.

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Review of policy

The Trustees review this Reserves Policy on an annual basis.

Going Concern

Bearing in mind current trading, future plans and existing levels of reserves, the Council of Management has a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, the Council continues to adopt the going concern basis in preparing the financial statements set out on pages 12-26.

INVESTMENT POLICY AND PERFORMANCE

Under the Memorandum of Association, the Society is required to invest monies not immediately required for the purposes of the Society, in investments or securities as may be thought fit. The Council of Management has delegated their investment powers to BlackRock, who oversee the everyday interests in the investments and report to the Society on a quarterly basis.

The Society invests primarily via Common Investment Funds, approved by the Charity Commission as charities in their own right, which are managed by BlackRock. The Society's objective for its investments is to maximise the long-term total return, after providing for the annual income target which is approximately £300,000, with cautious to moderate risk appetite. Investments are ethically profiled to exclude tobacco and major armaments.

During the year ending 31 December 2017, the portfolio produced an income of £346k. The value of the portfolio increased to £12.4m.

In 2017 synchronised economic growth and improving corporate earnings drove global equity markets higher, with the UK market rising strongly over the reporting period. Within this we saw UK small and medium sized companies outperforming larger companies. The UK launched the process to leave the European Union, and falling unemployment alongside other positive data were sufficient for the Bank of England to raise the base rate to 0.5%. Political concerns around Europe abated somewhat following national elections in France and Germany.

In the US, President Trump was slow to enact his pro-business agenda and the Federal Reserve implied its moves towards policy normalisation would continue as economic data remained supportive.

Gilt yields fell from late January 2017 until late June 2017 as investors questioned the likely timing and scale of fiscal stimulus in the United States ("US"). Gilt yields reached a low for the period of 0.9% in mid-June 2017. Yields then increased sharply at the end of June and September 2017 on comments from various Central Banks, including the Bank of England ("BoE"), that were interpreted as hawkish, indicating higher interest rates. On 2 November 2017, the BoE raised interest rates for the first time in a decade, taking the Bank Rate from 0.3% to 0.5%.

During the year ending 31 December 2017, the British Editorial Society of Bone & Joint Surgery portfolio produced a total return of +11.52% gross of fees, compared with the composite benchmark, which returned +9.75%. Contributors included strong absolute performance from the UK Equity portfolio, Charishare Restricted, of +14.7%, outperforming its benchmark of +13.4%. The index global equity portfolio, BlackRock Developed World ex Tobacco and Controversial Weapons, also delivered strong absolute performance at +11.7%. The fixed income portfolio, Charinco, outperformed its benchmark and delivered +3.1% over the year gross of fees and the BlackRock UK Property Fund also outperformed its benchmark, while the Aviva UK Property Fund of Funds marginally underperformed its benchmark. The Dynamic Diversified Growth Fund, which comprises 10% of the overall portfolio, after a challenging 2016, delivered a healthy +9.3% return (gross of fees) in 2017.

During the three years to 31 December 2017, the return achieved by the Fund's peer group, the ARC Sterling Steady Growth Charity Index*, was +7.95% per annum net of fees. Over the same three-year period, the British Editorial Society of Bond & Joint portfolio produced a return of +9.7% (gross of fees) per annum, outperforming the composite benchmark which returned +8.2% per annum.

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*Source: ARC Research Limited, The Multi-Asset Charity Fund Review, Quarter 4, 2017. All other performance data is sourced from BlackRock: per the British Editorial Society of Bone and Joint Surgery Monthly Report, 31 December 2017.

FUTURE PLANS

We plan to continue development of The Bone & Joint Journal as the leading international orthopaedic journal, including further enhancements of the website, and international editions including Chinese.

We will also further develop our newer titles, Bone & Joint Research and Bone & Joint 360, EFORT Open Reviews as well as the recently launched Journal of Children's Orthopaedics. We will investigate and develop other new publishing opportunities in orthopaedics where appropriate.

AUDITOR

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

This report has been prepared under the provisions of the Companies Act applicable for small companies.

Signed on behalf of the Council of Management by:

Tim Wilton
Chairman



Date

8 June 2018

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH EDITORIAL SOCIETY OF
BONE AND JOINT SURGERY**

Opinion

We have audited the financial statements of The British Editorial Society of Bone and Joint Surgery (the 'Charity') for the year ended 31 December 2017 which comprise the statement of financial activities and notes to the 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charitable company'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

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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.

Opinion 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 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 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH EDITORIAL SOCIETY OF
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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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



Tim Redwood
Senior statutory auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 25 SEPTEMBER 2019

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income				
Income from charitable activities				
Subscriptions	3	1,374,683	1,374,683	1,309,555
Reprints and royalties		90,335	90,335	78,188
Online sales and open access		376,213	376,213	373,712
Other income		1,806	1,806	1,555
Other trading activities:				
Advertising and rental income		427,231	427,231	441,251
Income from investments				
Income from listed investments	4	345,690	345,690	365,633
Interest receivable	5	782	782	4,923
Total income		2,616,740	2,616,740	2,574,817
Expenditure on:				
Expenditure on raising funds				
Advertisements		63,523	63,523	73,125
Property costs		13,641	13,641	9,590
Investment management		20,534	20,534	59,679
Charitable activities:				
Publishing and marketing the Journals		1,878,451	1,878,451	1,800,962
Providing orthopaedic information via the website		183,709	183,709	213,894
Disseminating the Journals as widely as possible		110,278	110,278	72,087
Providing publishing services		171,644	171,644	115,392
Total expenditure	6	2,441,780	2,441,780	2,344,729
Net income before investment gains		174,960	174,960	230,088
Net gains on investments		919,709	919,709	1,017,359
Net income before investment gains and losses		1,094,669	1,094,669	1,247,447
Net movement in funds		1,094,669	1,094,669	1,247,447
Reconciliation of funds:				
Total funds brought forward		16,581,046	16,581,046	15,333,599
Total funds carried forward		17,675,715	17,675,715	16,581,046

The notes on pages 15 to 25 form part of these financial statements.

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY

(A company limited by guarantee)

REGISTERED NUMBER: 522061

BALANCE SHEET
AS AT 31 DECEMBER 2017

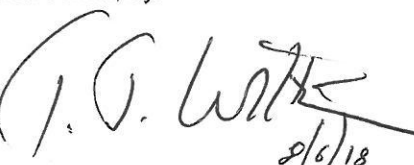
	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	7		112,689		97,786
Tangible assets	8		2,573,752		2,618,530
Investments	9		13,138,591		12,223,905
			<u>15,825,032</u>		<u>14,940,221</u>
Current assets					
Debtors	10	555,785		536,676	
Cash at bank and in hand		2,173,618		2,021,855	
		<u>2,729,403</u>		<u>2,558,531</u>	
Creditors: amounts falling due within one year	11	(861,432)		(898,291)	
Net current assets			<u>1,867,971</u>		<u>1,660,240</u>
Total assets less current liabilities			<u>17,693,003</u>		<u>16,600,461</u>
Creditors: amounts falling due after more than one year	12		(17,288)		(19,415)
Net assets			<u>17,675,715</u>		<u>16,581,046</u>
Charity Funds					
Unrestricted funds	14		17,675,715		16,581,046
Total funds			<u>17,675,715</u>		<u>16,581,046</u>

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

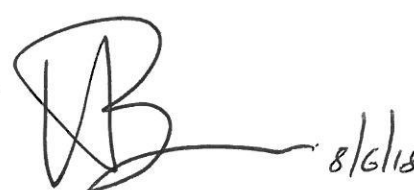
The financial statements were approved and authorised for issue by the Trustees on
signed on their behalf, by:

and

Tim Wilton
Chairman


2/6/18

Martin Bircher
Treasurer


8/6/18

The notes on pages 15 to 25 form part of these financial statements.

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	15	(125,398)	(56,372)
Cash flows from investing activities:			
Dividends, interest and rents from investments		345,690	365,633
Purchase of tangible fixed assets		(73,553)	(65,872)
Proceeds from sale of investments		453,819	4,196
Purchase of investments		(448,795)	(2,565)
Net cash provided by investing activities		277,161	301,392
Change in cash and cash equivalents in the year		151,763	245,020
Cash and cash equivalents brought forward		2,021,855	1,776,835
Cash and cash equivalents carried forward	16	2,173,618	2,021,855

The notes on pages 15 to 25 form part of these financial statements.

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

1.1 Charity information

The Society is a registered charity in England and Wales and a company limited by guarantee (company number: 522061). The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member of the company. There are 20 members. It is a Public Benefit entity, governed by its Memorandum and Articles of Association adopted on 23 July 1953 and amended by special resolutions on 23 September 2002 and 17 September 2012.

The Society's Charity Commission registration number is 209299 and its registered address is 22 Buckingham Street, London, WC2N 6ET.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The functional currency of the Society is considered to be GBP because that is the currency of the primary economic environment in which the Society operates. The financial statements are also presented in GBP.

After making enquiries, the Council of Management have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. The trustees are not aware of any material uncertainties about the charity's ability to continue and accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Society's accounting policies, which are described in this note, Council are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Council, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the presentation of the financial statements are as follows:

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting Policies (continued)

1.4 Tangible fixed assets and depreciation

All items with a value greater than £250 have been capitalised. Depreciation is only charged on an asset when it has been brought into use. Depreciation is provided on the cost of assets, in equal annual instalments, over the estimated useful lives of the assets. The rates of depreciation are as follows:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over 50 years
Long-term leasehold property	-	Over 50 years
Fixtures and fittings	-	10% per annum
Office equipment	-	20% per annum
Computer equipment	-	33% per annum

1.5 Intangible fixed assets and amortisation

Intangible fixed assets represent software costs and website development costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight line basis over the period which revenue is expected to be generated (3 years).

Amortisation is recognised in the statement of financial activities as part of expenditure and is allocated across the expenditure headings on the same basis as Support & Governance costs.

1.6 Foreign currencies

Transactions in foreign currencies are converted into sterling using the prevailing rate of exchange. There is also a rate pre-determined by the Council of Management which is used throughout the period.

Assets and liabilities at the period end which are denominated in foreign currency are translated at the rates ruling at the balance sheet date. Exchange differences arising on translation are dealt with in the Statement of Financial Activities.

1.7 Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. The differences between the carrying value (or cost if acquired during the period) and the proceeds of investments disposed of are shown as realised investment gains or losses in the Statement of Financial Activities.

Investment properties are stated at their market value at the balance sheet date. No depreciation is provided for in respect of investment properties in accordance with FRS102. Such properties are held for their investment potential and not for consumption within the business. This is a departure from the Companies Act 2006 which requires all properties to be depreciated, however the trustees consider that to depreciate them would not enable the financial statements to give a true and fair view.

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting Policies (continued)

1.8 Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the objects of the Charity.

1.9 Income

All income is accounted for in the year a sale is made or service is delivered and is stated net of discounts. Any income restricted to future accounting periods is deferred and recognised in those accounting periods. Investment income is accounted for on an accruals basis. Rental income is recognised in the period to which it relates, based on the operating lease agreement.

1.10 Resources expended

All expenses are accounted for on an accruals basis. Irrecoverable VAT is included with the item of expense to which it relates.

Expenditure on raising funds comprise those costs directly attributable to managing the investment portfolio and the costs of advertising in the journal publications.

Expenditure incurred in connection with the specific objects of the charity is included under the heading "charitable expenditure". This would include the costs of journal publications. Expenditure on charitable activities has been directly allocated to the main areas of expenditure where possible, and the remainder has been proportionally allocated on the basis of staff time spent in each area. Support costs comprise staff costs together with the general overheads of the charity. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument.

Additionally all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost with the exception of Investments which are held at fair value.

Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Turnover

	2017 %	2016 %
United Kingdom	28	30
Europe	17	16
USA	7	6
Rest of the world	48	48
Total	<u>100</u>	<u>100</u>

3. Subscriptions and deferred income

	2017 £	2016 £
Subscription income received	1,348,685	1,382,364
Release of prior year	512,013	439,204
Deferred in year	(486,015)	(512,013)
Total	<u>1,374,683</u>	<u>1,309,555</u>

4. Income from listed investments

	2017 £	2016 £
United Kingdom	312,006	335,462
Foreign	33,684	30,171
Total	<u>345,690</u>	<u>365,633</u>

5. Interest receivable

	2017 £	2016 £
Bank interest	<u>782</u>	<u>4,923</u>

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Charitable activities

	Support costs £	Direct costs £	2017 £	2016 £
Publishing and marketing	490,080	1,388,371	1,878,451	1,800,962
Providing orthopaedic information	53,811	129,898	183,709	213,894
Disseminating the Journals	53,811	56,467	110,278	72,087
Providing publishing services	26,906	144,738	171,644	115,392
Total	624,608	1,719,474	2,344,082	2,202,335

Support costs are represented by:

	2017 £	2016 £
Salaries	176,843	172,110
HR Consultancy	4,348	4,186
Training	10,599	4,859
Travelling	76,374	81,057
Repairs and maintenance	86,944	68,421
Depreciation	103,427	101,384
Staff recruitment	12,226	4,525
Entertaining	27,946	29,234
Stationery and postage	5,290	5,437
Accountants fees	24,538	24,243
Telephone and fax	7,533	11,589
Sundry expenses	2,464	1,821
Insurance	7,698	8,338
Exchange (gain)/loss	12,906	(21,386)
Legal and professional	5,277	1,873
Bank charges	4,115	5,020
Cleaning	14,358	14,219
Lighting and heating	6,886	8,090
Rates and water rates	20,708	17,052
Archive and library restoration	295	292
Audit and accountancy	13,833	13,790
Total	624,608	556,154

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Employee costs during the year

	2017 £	2016 £
Wages and salaries	738,566	726,927
Social security costs	76,503	74,185
Other pension costs	82,432	80,138
Total	897,501	881,250

	2017	2016
The average number of employees, who were all involved in the direct charitable activities, was:	19	18

One employee (2016: none) received taxable remuneration in the band of £130,001 to £140,000 during the year.

No employees (2016: one) received taxable remuneration in the band of £120,001 to £130,000 during the year.

The pension contributions paid by the employer for these individuals during the year were £27,852 (2016: £23,574).

Members of the Council of Management received no remuneration during either the current or preceding financial years.

Total Key Management employee benefits were £486,991 during the year (2016: £436,251).

Expenses relating to travel and subsistence of £16,180 (2016: £14,274) were paid on behalf of five (2016: five) members of the Council of Management during the year.

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Intangible fixed assets

	Website £	Software £	Assets under construction £	Total £
Cost				
At 1 January 2017	214,882	13,200	45,842	273,924
Additions	39,879	884	18,236	58,999
At 31 December 2017	254,761	14,084	64,078	332,923
Amortisation				
At 1 January 2017	162,938	13,200	-	176,138
Charge for the year	43,924	172	-	44,096
At 31 December 2017	206,862	13,372	-	220,234
Carrying amount				
At 31 December 2017	47,899	712	64,078	112,689
At 31 December 2016	51,944	-	45,842	97,786

8. Tangible fixed assets

	Freehold Premises £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2017	3,150,078	140,924	112,864	3,403,866
Additions	-	4,854	9,700	14,554
At 31 December 2017	3,150,078	145,778	122,564	3,418,420
Depreciation				
At 1 January 2017	569,375	116,269	99,692	785,336
Charge for the year	42,004	7,153	10,175	59,332
At 31 December 2017	611,379	123,422	109,867	844,668
Net book value				
At 31 December 2017	2,538,699	22,356	12,697	2,573,752
At 31 December 2016	2,580,703	24,655	13,172	2,618,530

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Tangible fixed assets (continued)

Included within freehold property is land with an estimated cost of £1,049,891 which has not been depreciated.

A freehold property at 8 Buckingham Street is included within Freehold Premises is leased out under operating leases. The historical cost of the property is £2,050,078; accumulated depreciation £264,246 and year-end NBV £1,785,832.

9. Fixed asset investments

	Listed investments £	Investment properties £	Total £
Market value			
At 1 January 2017	11,498,905	725,000	12,223,905
Additions	448,796	-	448,796
Disposals at carrying value	(453,819)	-	(453,819)
Unrealised gains/(losses)	919,709	-	919,709
	<u>12,413,591</u>	<u>725,000</u>	<u>13,138,591</u>
At 31 December 2017	12,413,591	725,000	13,138,591
Historical cost	<u>10,208,124</u>	<u>725,000</u>	<u>10,933,124</u>

	31 December 2017 £	31 December 2016 £
UK Fixed Interest	1,711,565	1,581,530
UK Equities	6,318,025	5,905,202
Overseas Equities	1,241,661	1,359,206
Property Unit Trusts	1,853,460	1,586,528
Other	1,223,870	1,001,429
Cash Instruments	65,000	65,000
Cash and Commitments	10	10
	<u>12,413,591</u>	<u>11,498,905</u>

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Investment properties

	2017 £	2016 £
At start of the period	725,000	650,000
Revaluation gains/(losses)	-	75,000
Value at the end of the period	<u>725,000</u>	<u>725,000</u>

A property located on the Little Adelphi in London was transferred from Tangible Fixed Assets to Investment Properties with NBV of £147,354 during 2012. That flat is being used as a rental property.

The market value at 31st December 2016 was estimated by the real estate agents – CBRE and derived by comparing market transactions for similar properties in the same vicinity. The Trustees valued the property at £725,000 based on this professional advice and are satisfied that this valuation remains appropriate at 31 December 2017.

10. Debtors

	2017 £	2016 £
Trade debtors	101,304	259,988
Other debtors	356,294	194,378
Prepayments and accrued income	98,187	82,310
	<u>555,785</u>	<u>536,676</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	169,905	103,174
Other taxation and social security	21,846	23,262
Other creditors	43,808	109,196
Accruals and deferred income	625,873	662,659
	<u>861,432</u>	<u>898,291</u>

Deferred income represents the receipt of subscription income which relates to future periods.

12. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	<u>17,288</u>	<u>19,415</u>

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Financial instruments

	2017 £	2016 £
Financial assets measured at fair value	13,138,591	12,223,905
Financial assets measured at amortised cost	2,631,216	2,476,221
	<u>15,769,807</u>	<u>14,700,126</u>
Financial liabilities measured at amortised cost	<u>323,524</u>	<u>331,152</u>

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Unrestricted funds						
Designated fixed asset	2,716,316	-	(103,428)	73,554	-	2,686,442
Revaluation surplus	75,000	-	-	-	-	75,000
Designated charitable donations	436,640	-	(56,467)	-	-	380,173
General funds	13,353,090	2,616,740	(2,281,885)	(73,554)	919,709	14,534,100
	<u>16,581,046</u>	<u>2,616,740</u>	<u>(2,441,780)</u>	<u>-</u>	<u>919,709</u>	<u>17,675,715</u>

Statement of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2016 £
Unrestricted funds						
Designated fixed asset	2,754,320	-	(101,384)	63,380	-	2,716,316
Revaluation surplus	-	-	-	-	75,000	75,000
Designated charitable donations	456,184	-	(19,544)	-	-	436,640
General funds	12,123,095	2,574,818	(2,223,802)	(63,380)	942,359	13,353,090
	<u>15,333,599</u>	<u>2,574,818</u>	<u>(2,344,730)</u>	<u>-</u>	<u>1,017,359</u>	<u>16,581,046</u>
Total of funds	<u>15,333,599</u>	<u>2,574,818</u>	<u>(2,344,730)</u>	<u>-</u>	<u>1,017,359</u>	<u>16,581,046</u>

THE BRITISH EDITORIAL SOCIETY OF BONE AND JOINT SURGERY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	1,094,669	1,247,447
Adjustment for:		
Depreciation charges	103,428	101,384
Gains on investments	(919,709)	(1,017,359)
Dividends, interest and rents from investments	(345,690)	(365,633)
Increase in debtors	(19,110)	(131,212)
(Decrease)/increase in creditors	(38,986)	109,001
Net cash used in operating activities	(125,398)	(56,372)

16. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	2,173,618	2,021,855
Total	2,173,618	2,021,855

17. Capital commitments

At 31 December 2017 the Society was committed to acquiring £43,000 of intangible fixed assets arising from its ongoing contracted capital projects (2016: £145,000).

18. Fixed assets fund

The Council of Management have set aside £2,686,442 (2016: £2,716,316) into a designated fund to reflect the amount of funds

19. Taxation

No liability to taxation arises as the Society is a charity and applied its funds for charitable purposes only.

20. Related party transactions

There are no related party transactions or balances which require disclosure within the financial statements during 2017 (2016: nil).