

Registered number: 02391297

THE INSTITUTE OF OSTEOPATHY
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016



THE INSTITUTE OF OSTEOPATHY
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

Maurice Cheng, Chief Executive
Stephen Hartshorn, Past President
Jonathan Bailey-Teyletche
Benjamin Katz
Kevin Mageean
Simon Fielding
Paul Lambden (resigned 19 October 2015)
Robin Lansman, President
Mia Lederman
Helen Lombard

COMPANY SECRETARY

Maurice Cheng

EX OFFICIO

Michael Watson

REGISTERED NUMBER

02391297

REGISTERED OFFICE

3 Park Terrace
Manor Road
Luton
Bedfordshire
LU1 3HN

INDEPENDENT AUDITORS

Peters Elworthy & Moore
Chartered Accountants & Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

BANKERS

Barclays Bank PLC
Luton and Dunstable Business Centre
PO Box 76
28 George Street
Luton
LU1 2AW

THE INSTITUTE OF OSTEOPATHY
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THE INSTITUTE OF OSTEOPATHY
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PRESIDENT'S REPORT
FOR THE YEAR ENDED 31 MAY 2016

The Institute restated its core mission in 2013, with a new commitment not just to protect and support osteopaths, but to unite, develop and promote the profession. We are now half way through our five year strategic plan to gain a Royal Charter for British osteopaths, as further confirmation of the value that the profession brings to patient care and public health. We focussed in the early years on strengthening relationships across the UK profession, and this year, while continuing our engagement strategies, we started to modernise the infrastructure and resources of the Institute, as well as preparing the ground for Reaching Out - building relationships with the broad health market, and improving the profession's communications with the public at large.

We also embarked on a fresh review of iO governance, to ensure that our Council and committees work effectively, transparently, and in tune with the development strategies of the iO on behalf of the members and the profession. As part of this programme, we have now formally constituted the iO Appointments Committee as a standing committee of Council, with the responsibility to guide and monitor the performance of members of Council and committees.

Our osteopathic engagement activities this year included further development of services to support regional societies, continued provision of secretariat duties for the pan profession Osteopathic Development Group, which this year launched a successful Leadership Development programme, and the strengthening of links with undergraduate colleges and students, as well as with the Osteopathic Educational Foundation. We have also launched a pilot NHS internship programme for osteopaths, to provide a much needed opportunity to gain experience working alongside other health professions, as a key strand of our Reaching Out strategy.

We launched a series of osteopathic awards at Annual Convention, which sought to recognise success among osteopaths in areas such as practice leadership, excellence as an Associate, use of research in practice, and best regional society; at the Awards evening, for the second year, the best of the newly graduating osteopaths were recognised as the Rising Stars of the profession. The 2016 Convention was even more successful than the previous year's, and has become one of the key networking and learning events for the UK profession.

This year saw a renewal of a concerted effort by a small number of 'sceptics' to restrict the professional practice of osteopaths, in the main using the argument that the lack of randomised control trial (RCT) research in aspects of osteopathic practice automatically meant that what osteopaths did in these areas was without benefit. This is a narrow view of 'evidence based medicine' – the touchstone that is often cited by such sceptics – which is actually about integrating best available research evidence with clinical expertise and patient values to improve patient care. Suffice to say that these efforts have not been successful, and osteopaths continue to earn the respect of patients for the positive health outcomes we achieve with them.

What this episode has done however is highlight to all osteopaths the need for more involvement in research, for better ways to gather clinical evidence, despite the challenges of being a small health profession, and the difficulties in attracting significant research funding from external sources. We feel proud that this last year saw our investment in NCOR's new Patient Reported Outcome Measures (PROMs) app come to fruition, which is now fully functional, and the early results showing very positively in terms of patient satisfaction with osteopathic treatment and its outcomes – using a measurement tool that is based on measures used within the NHS, and meaningful also to health insurers.

The use of standardised and validated measurement tools is of course deliberate, and very much part of our determination to build peer dialogue and understanding between osteopaths and the broad health market, which, we are convinced, at the end of-the day will result in improved multidisciplinary working between osteopaths and other health professionals, and deliver better patient outcomes, and better patient satisfaction.

Name Robin Lansman
President

Date

 12/10/2016

THE INSTITUTE OF OSTEOPATHY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2016

The directors present their report and the audited financial statements for the year ended 31 May 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of the provision of mutual support and protection of Osteopaths in the United Kingdom, students of Osteopathy and overseas Osteopathic practitioners.

BUSINESS REVIEW

Our membership currently stands at 3,447, which represents about 70% of the osteopathic profession across the United Kingdom.

This year our business plan, which is year three of a five year strategy towards gaining a Royal Charter for the profession, continued with more engagement with the membership, regional societies, the key osteopathic institutions, as well as the training colleges and student bodies. We have devoted much of our effort in bringing the profession together, at the same time planning for and developing resources to reach out better to the broad health establishment and the public in general.

We have made an operating profit of £91,611, after significant investments in the new CRM system and the National Council for Osteopathic Research; this was supported by a membership fee increase part way through the year, which is earmarked to fund our developing policy and communications activities. Our reserves now stand at £514,710, which continues to be considered a healthy sum.

The iO continues to play an active role as Secretariat for the Osteopathic Development Group (ODG), providing the development coordination resources to keep the eight key projects on track, funding the NCOR PROMS project, as well as active participation in the projects themselves. Our Development team has worked well, and we are proud to report that the ODG has launched well received programmes in Osteopathic Leadership, International Collaboration, and Regional Society support.

Recognising that members continue to experience pressure on their finances, we successfully negotiated a zero increase in fees for our class leading liability insurance, despite an increase in insurance base costs and a higher level of complaint cases. Again this year almost three quarters of our membership continues to be insured under our group professional liability policy, and the small amount of income that the iO receives from each policy has been reinvested in the development of the profession and its reputation.

We are currently in the process of implementing a new Customer Relationship Management platform (CRM) to replace our fifteen year old administration system. This is intended to integrate with our website, and provide therefore an improved member experience, as well as allowing automation of a range of administrative processes. We expect to be rolling out the initial phase of the system in late 2016. Significant investment has been made in this project and we expect that this significant upgrade will allow us to be much more efficient, provide improvements to membership services, and enable the more effective use of staff resources.

We have moved our email and data systems to a secure cloud-based system, which has reduced the physical hardware that is in the office and means that our IT systems are more robust, as well as cheaper to maintain. We are continuing to explore other IT solutions to improve efficiency, improve working processes, and reduce costs.

THE INSTITUTE OF OSTEOPATHY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2016

DIRECTORS

The directors who served during the year were:

Maurice Cheng, Chief Executive
Stephen Hartshorn, Past President
Jonathan Bailey-Teyletche
Benjamin Katz
Kevin Mageean
Simon Fielding
Paul Lambden (resigned 19 October 2015)
Robin Lansman, President
Mia Lederman
Helen Lumbard

CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations totalling £2,505 (2015 - £2,055).

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

THE INSTITUTE OF OSTEOPATHY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2016

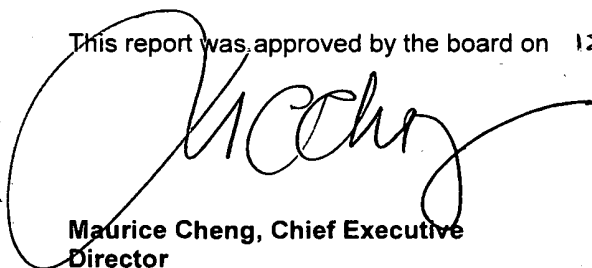
AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on 12/10/2016

and signed on its behalf.

A large, stylized handwritten signature in black ink, appearing to read 'M. Cheng', is written over the printed name of the Chief Executive Director.

**Maurice Cheng, Chief Executive
Director**

THE INSTITUTE OF OSTEOPATHY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

We have audited the financial statements of The Institute of Osteopathy for the year ended 31 May 2016, set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 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 DIRECTORS AND AUDITORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE INSTITUTE OF OSTEOPATHY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Judith Coplowe (senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

18 October 2016

THE INSTITUTE OF OSTEOPATHY
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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2016**

	Note	2016 £	2015 £
TURNOVER		710,547	673,747
Administrative expenses		(807,730)	(822,251)
Other operating income	2	188,794	196,676
OPERATING PROFIT	3	91,611	48,172
Interest receivable and similar income		2,203	2,014
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		93,814	50,186
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	12	93,814	50,186

The notes on pages 9 to 13 form part of these financial statements.

THE INSTITUTE OF OSTEOPATHY
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REGISTERED NUMBER: 02391297

BALANCE SHEET
AS AT 31 MAY 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	6		32,530		27,644
CURRENT ASSETS					
Debtors	7	145,936		39,503	
Investments	8	173,807		171,878	
Cash at bank and in hand	9	493,059		450,117	
		<u>812,802</u>		<u>661,498</u>	
CREDITORS: amounts falling due within one year	10	<u>(330,622)</u>		<u>(268,246)</u>	
NET CURRENT ASSETS			<u>482,180</u>		<u>393,252</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>514,710</u></u>		<u><u>420,896</u></u>
CAPITAL AND RESERVES					
Profit and loss account	12		<u>514,710</u>		<u>420,896</u>
	13		<u><u>514,710</u></u>		<u><u>420,896</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12/10/2016.


Maurice Cheng, Chief Executive Director

The notes on pages 9 to 13 form part of these financial statements.

THE INSTITUTE OF OSTEOPATHY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 TURNOVER

Turnover represents the amounts receivable from members as subscriptions. Subscriptions are recognised over the period to which they relate. Other income is recognised as an event takes place or over the period to which it relates.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. 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:

Office equipment	-	25% reducing balance / 10 - 50% straight line
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1.4 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.5 GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.6 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.7 INVESTMENTS

Current asset investments comprise cash on deposit and are included at cost.

1.8 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

THE INSTITUTE OF OSTEOPATHY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016**

2. OTHER OPERATING INCOME

	2016 £	2015 £
Convention income	70,755	91,300
Insurance administration fee	72,154	68,444
OT income	25,409	25,166
Other operating income	20,476	11,766
	<u>188,794</u>	<u>196,676</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the company	15,845	13,306
Auditors' remuneration	4,061	3,895
Pension costs	19,076	14,929
	<u>38,982</u>	<u>32,130</u>

4. DIRECTORS' REMUNERATION

	2016 £	2015 £
Aggregate remuneration	76,334	72,294

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

5. TAXATION

The company is a mutual trading company. As such, corporation tax is only payable on investment income and profits arising from non-member income.

There are no factors that are considered to affect future tax charges.

THE INSTITUTE OF OSTEOPATHY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016**

6. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 June 2015	55,063
Additions	20,731
At 31 May 2016	<u>75,794</u>
DEPRECIATION	
At 1 June 2015	27,419
Charge for the year	15,845
At 31 May 2016	<u>43,264</u>
NET BOOK VALUE	
At 31 May 2016	<u><u>32,530</u></u>
At 31 May 2015	<u><u>27,644</u></u>

7. DEBTORS

	2016 £	2015 £
Trade debtors	9,073	2,175
Other debtors	136,863	37,328
	<u>145,936</u>	<u>39,503</u>

8. CURRENT ASSET INVESTMENTS

	2016 £	2015 £
Cash on deposit	<u>173,807</u>	<u>171,878</u>

9. CASH AT BANK AND IN HAND

Cash at bank and in hand includes the sum of £41,539 (2015 - £41,627) held in the iO Insurance Brokers Fixed Rate Deposit account representing insurance payments collected from members as agent of the insurer and held in trust for the insurer in a segregated account.

THE INSTITUTE OF OSTEOPATHY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

10. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	161,292	45,836
Other taxation and social security	8,843	9,273
Deferred income	68,380	65,729
Other creditors	92,107	147,408
	<u>330,622</u>	<u>268,246</u>

11. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

12. RESERVES

	Profit and loss account £
At 1 June 2015	420,896
Profit for the financial year	93,814
	<u>514,710</u>
At 31 May 2016	<u>514,710</u>

13. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2016 £	2015 £
Opening members' funds	420,896	370,710
Profit for the financial year	93,814	50,186
	<u>514,710</u>	<u>420,896</u>
Closing members' funds	<u>514,710</u>	<u>420,896</u>

THE INSTITUTE OF OSTEOPATHY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

14. OPERATING LEASE COMMITMENTS

At 31 May 2016 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2016	2015	2016	2015
	£	£	£	£
EXPIRY DATE:				
Between 2 and 5 years	15,250	15,250	828	828

15. RELATED PARTY TRANSACTIONS

Council members, who are also members of the association, are paid honoraria. The sums paid during the year varied between £1,125 and £4,735 per member. At the year end a balance of £NIL was owed (2015 - £5,125) to Council Members.

A retainer is paid to P Lambden, who was a trustee until October 2015, amounting to £7,000 (2015: £12,000). At the year end £nil (2015: £nil) was outstanding.

Additional sums paid to Council members for work commissioned totalled £3,816 (2015 - £1,475). As at 31 May 2016, £NIL (2015 - £708) was owed to Council members.

A grant amounting to £39,750 was paid to the National Council for Osteopathic Research in the year. The Chief Executive of The Institute of Osteopathy is a trustee of National Council for Osteopathic Research.

16. CONTROLLING PARTY

The company was under the joint control of the Council members throughout the current and previous year.