

Company Registration No. 02391297 (England and Wales)

THE INSTITUTE OF OSTEOPATHY

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022



**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

As at the date of approval of the financial statements:

Directors	Ms S E Farwell	
	Mr M C Cheng	
	Ms J M Karlsson	
	Mr A J Plunkett	
	Ms N Hobson	
	Ms G Smith	
	Mr D Schurer Collis	
	Mr I Fraser	
	Mr E J Reid	(Appointed 29 October 2021)
	Ms C Faulconbridge	(Appointed 29 October 2021)
	Ms S C Gosling	(Appointed 29 October 2021)
	Ms Z Clark	(Appointed 29 October 2021)
Secretary	Mr M C Cheng	
Company number	02391297	
Registered office	3 Park Terrace Manor Road Luton Bedfordshire LU1 3HN	
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW Barclays Bank PLC	
Bankers	Luton and Dunstable Business Centre PO Box 76 28 George Street Luton United Kingdom LU1 2AW	

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
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**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
PRESIDENT'S REPORT
FOR THE YEAR ENDED 31 MAY 2022**

The President presents her report for the period

As we emerge from the vicissitudes of the pandemic, this past year has seen a dynamic uplift in the demand for osteopathy by the public, and similarly a significant increase in demand for osteopaths by the NHS. We are pleased that the Institute played an instrumental and supportive role in ensuring that, over the two years of the covid crisis, the profession played a key part in maintaining the health of the public. As a result, osteopaths, as allied health professionals, are increasingly recognised part of the main health workforce contributing to patient care.

We have continued to provide up-to-date advice on safe practice throughout the various phases of lockdowns since June 2021. We have continued upgrading promotional and business support to members so that communications with the public was maintained at the highest level. We have been working with several osteopaths who had similar collaborative objectives. Over this period, it became increasingly clear that there was a rapidly growing demand from the public for osteopathic care, with many clinics reporting much higher new patient numbers and lengthening waiting periods than pre-pandemic. Another indicator of higher activity was the volume of job adverts seeking associate osteopaths to join established clinics.


Our work with the NHS in England and Health Education England (HEE) has seen improved collaboration at a national level – for example, we were commissioned by HEE to follow up our independent panel review of the opportunities for deployment of osteopaths in the NHS last year, with a new publication providing NHS trusts with guidance on recruiting osteopaths. In a similar vein, we have reached out to a number of large private providers to the NHS and opened up career pathways for osteopaths there also. Just after Christmas, we tracked over 90 NHS jobs being advertised that were open to osteopaths – many times higher than ever before.

We continue to seek to influence the NHS in the three other home nations apart from England so that the profession can play a similarly engaged role within the health services there.

It is becoming clear that the iO's strategic objective to ensure the growth of the profession has become all the more critical, as we seek to satisfy the rising demand for osteopaths by the public, osteopathic clinics, and the NHS. Over the course of the year, we have been working on developing a new initiative, aiming to develop and support career pathways for osteopaths, so that the profession becomes more attractive to join, more interesting to work in, and more satisfying to stay in. 'Evolving Careers', as we have begun to style it, is gaining interest from osteopathic stakeholders, and we will continue to expand our thinking on this programme this year.

Our investment in systems and people continued this year, with further work to modernise administration systems and IT support, and we have started to roll out the new people strategy to ensure that the excellent staff team is better supported into the future.

We are proud that the profession in general, and our members in particular, continue to respond very positively to our programmes of support and development this year, and our new member growth rate is still higher than pre-pandemic. In consequence, we have not had to run a deficit year as was budgeted, we will therefore be able to continue our investment in developing the future of the profession.



Glynis Fox
President

14 September 2022

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2022**

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the company continued to be that of the provision of mutual support and protection of Osteopaths in the United Kingdom, students of Osteopathy and UK registered overseas Osteopathic practitioners and the development of the profession in the interests of improving patient care and public access.

Business Review 2021-22

Our membership at the end of May 2022 stood at 3,442 full members, and 763 student members. This equates to some two thirds of registered osteopaths and over half of the osteopathic students in the United Kingdom.

As per last year, almost three quarters of our membership is insured under our group professional liability policy, and the commission that the iO receives from these policies has been reinvested in the development of the profession and supporting the membership. Both membership and insurance numbers have grown at a rate higher than the average for the last ten years.

Our business plan and budget for this year was again set on a prudent basis, as the Covid pandemic continued to impact on society and the economy. While we continued to invest in our 2018-23 Five Year Strategy in the areas of policy engagement, public promotion and infrastructure, with a planned investment year deficit, these were contingent on continuous monitoring of our financial performance, as the pandemic continued to impact. We maintained our policy on using videoconferencing for the majority of meetings, which helped significantly in lowering the cost base. We have however started in the beginning of 2022 to reengage stakeholders on a face to face basis.

In May 2022 we have returned to the office for two days per week, operating a split system between office and home working. This has proved successful, allowing for improved staff collaboration. We have invested in a new telecoms system which enables staff to efficiently answer calls from any location, and have also taken the opportunity to update IT equipment for staff, which has helped to maintain the quality of service delivered during another year of high call volumes.

We have been able to advance our engagement work with the NHS this year, participating in the many plans for reconfiguring health services post Covid. One very important outcome is the growing volumes of NHS roles now open to osteopaths, as well as the numbers of osteopaths joining the service. We continue to be supported by a number of commissions from agencies such as Health Education England so that the profession can better play its role in the building of the health workforce.

We have also tracked a profession wide increase in new patient numbers as the pandemic began to ease mid year, with a rising demand from osteopathic clinics for more associates and staff. This is a healthy sign of increasing recognition of the benefits that osteopaths bring to patient health and care, and a signpost to the need to look for higher growth rates in the profession in the future.

We believe that this sustained support of the profession contributed significantly to another year of strong growth in membership, and our financial performance, rather than the budgeted deficit of some £38,000, was a trading surplus of £120,000. Our reserves now stand at £613,000, which contains a proportion intended for investment in the next five year strategic plan, commencing in 2023, aimed at furthering progress towards the iO Vision of an osteopathic profession that is universally recognised and accessible. In line with the current audit requirements, we do not have any concerns about the organisation as a going concern.

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

Business Review 2021-22 (continued)

We continue to place a strong emphasis on working collaboratively with osteopathic institutions. We have good working relationships with the regulator, the educational institutions, the centre of excellence for osteopathic research, and a cross section of osteopathic regional societies. Internationally we engage fully as an member of both the European and global associations of osteopathic institutions. We believe this principle of collaboration contributes to the coherence and growing influence of the profession in the broad health market.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms S E Farwell	
Mr M C Cheng	
Mr S J Fielding	(Resigned 29 October 2021)
Ms F M Greer	(Resigned 29 October 2021)
Ms J M Karlsson	
Mr D P Orchard	(Resigned 29 October 2021)
Mr A J Plunkett	
Dr J A Shapiro	(Resigned 31 July 2021)
Ms N Hobson	
Ms G Smith	
Mr D Schurer Collis	
Mr I Fraser	
Mr E J Reid	(Appointed 29 October 2021)
Ms C Faulconbridge	(Appointed 29 October 2021)
Ms S C Gosling	(Appointed 29 October 2021)
Ms Z Clark	(Appointed 29 October 2021)

The Directors form the Council of the Institute, which is its main governing body. Council is supported by five standing Committees, which are Audit & Risk, Appointments, Osteopathic Foundation Board, Policy & Standards, and Remuneration.

Auditor

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

On behalf of the board

A handwritten signature in black ink, appearing to read 'M Cheng', with a large, stylized initial 'M'.

**Mr M C Cheng
Director**

14 September 2022

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2022**

The directors are responsible for preparing the annual 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 surplus or deficit 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 judgements 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

Opinion

We have audited the financial statements of The Institute of Osteopathy (the 'company') for the year ended 31 May 2022 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 and of its surplus 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

Responsibilities of directors

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, and for such internal control as the directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence;
- capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors;
- other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in the audit procedures described above; any instance of non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error. Fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through an act of collusion that would mitigate internal controls.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE INSTITUTE OF OSTEOPATHY

Use of our report

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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Subarna Banerjee (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

26 September 2022

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	£	as restated £
Income	981,149	925,463
Administrative expenses	(1,201,574)	(1,184,930)
Other operating income	339,658	280,078
	<hr/>	<hr/>
Operating surplus	119,233	20,611
Interest receivable and similar income	813	1,166
	<hr/>	<hr/>
Surplus before taxation	120,046	21,777
Tax on surplus	-	-
	<hr/>	<hr/>
Surplus for the financial year	<u>120,046</u>	<u>21,777</u>

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MAY 2022**

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		161,188		118,641
Tangible assets	5		12,854		7,530
			<u>174,042</u>		<u>126,171</u>
Current assets					
Debtors	6	364,178		288,852	
Cash at bank and in hand		978,727		835,001	
		<u>1,342,905</u>		<u>1,123,853</u>	
Creditors: amounts falling due within one year	7	(903,550)		(756,675)	
Net current assets			<u>439,355</u>		<u>367,178</u>
Net assets			<u><u>613,397</u></u>		<u><u>493,349</u></u>
Reserves					
Income and expenditure account			<u>613,397</u>		<u>493,349</u>
Members' funds			<u><u>613,397</u></u>		<u><u>493,349</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 14 September 2022 and are signed on its behalf by:



Mr M C Cheng
Director

Company Registration No. 02391297

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

1 Accounting policies

Company information

The Institute of Osteopathy is a private company limited by guarantee incorporated in England and Wales. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The registered office is 3 Park Terrace, Manor Road, Luton, Bedfordshire, LU1 3HN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due. Income 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 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	Straight line over 5 years
Website	Straight line over 10 years

1.4 Tangible fixed assets

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

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment & handsets	Straight line basis over 3 years
Software	Straight line basis over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

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

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

1 Accounting policies

(Continued)

1.7 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

**THE INSTITUTE OF OSTEOPATHY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2021 - 14).

As required by the Institute's governance arrangements, those employees earning over £60,000 during the year were:

Mr M Cheng
Mr M Rogers
Mrs G Leelodharry

4 Intangible fixed assets

	Computer software £
Cost	
At 1 June 2021	216,419
Additions	64,065
Disposals	(64,536)
At 31 May 2022	<u>215,948</u>
Amortisation and impairment	
At 1 June 2021	97,778
Amortisation charged for the year	20,531
Disposals	(63,549)
At 31 May 2022	<u>54,760</u>
Carrying amount	
At 31 May 2022	<u>161,188</u>
At 31 May 2021	<u>118,641</u>

THE INSTITUTE OF OSTEOPATHY
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FOR THE YEAR ENDED 31 MAY 2022

5 Tangible fixed assets

	Computer equipment, handsets & software £
Cost	
At 1 June 2021	41,182
Additions	11,764
Disposals	(14,124)
	<hr/>
At 31 May 2022	38,822
	<hr/>
Depreciation and impairment	
At 1 June 2021	33,652
Depreciation charged in the year	6,432
Eliminated in respect of disposals	(14,116)
	<hr/>
At 31 May 2022	25,968
	<hr/>
Carrying amount	
At 31 May 2022	12,854
	<hr/>
At 31 May 2021	7,530
	<hr/>

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		Restated
Trade debtors	30,386	20,058
Prepayments and accrued income	333,792	268,794
	<hr/>	<hr/>
	364,178	288,852
	<hr/>	<hr/>

THE INSTITUTE OF OSTEOPATHY
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FOR THE YEAR ENDED 31 MAY 2022

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
		Restated
Trade creditors	591,647	538,873
Taxation and social security	47,538	26,326
Other creditors	3,668	1,322
Accruals and deferred income	260,697	190,154
	<u>903,550</u>	<u>756,675</u>

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
201,575	13,003
<u>201,575</u>	<u>13,003</u>

10 Related party transactions

Council members are paid honoraria. The sums paid during the year varied between £2,000 and £8,000 per member. At 31 May 2022 a balance of £9,325 (2021: £nil) was owed to Council members.

A grant of £26,500 was made to the National Council for Osteopathic Research in the year (2021: £26,500). The Chief Executive of The Institute of Osteopathy is a trustee of the National Council for Osteopathic Research.

During the year, secretariat services amounting to £45,000 net of VAT (2021: £45,000) were charged to The Osteopathic Foundation. At 31 May 2022 a balance of £27,880 (2021: £19,518) was due from the Osteopathic Foundation. The Institute of Osteopathy is the corporate trustee of The Osteopathic Foundation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022

11 Prior period adjustment

During the year it was noted that the calculation of irrecoverable VAT for the years ended 31 May 2020 and 31 May 2021 was incorrect. HMRC have been made aware and the irrecoverable VAT for those years has been adjusted in the accounts by way of a prior year adjustment. The additional irrecoverable VAT expense for the year ended 31 May 2020 is £12,957 which has been adjusted through opening reserves as at 1 June 2020. The additional irrecoverable VAT expense for the year ended 31 May 2021 is £11,874 and has been adjusted in the income statement and balance sheet for the comparative period.

During the year it was also identified that the overall balance due from members in relation to insurance premiums and the commission thereon was overstated by £21,295. This was identified through a reconciliation of historic balances carried forward and has no effect on the current or prior year income statement. This adjustment has been made to opening reserves as at 1 June 2020 in the comparative period to correct the brought forward position.

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 May 2021
	£	£	£
Current assets			
Debtors due within one year	300,726	(11,874)	288,852
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss reserves	505,223	(11,874)	493,349
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	As previously reported	Adjustment	As restated
Period ended 31 May 2021	£	£	£
Administrative expenses	(1,173,056)	(11,874)	(1,184,930)
Profit for the financial period	33,651	(11,874)	21,777
	<u> </u>	<u> </u>	<u> </u>

**THE INSTITUTE OF OSTEOPATHY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

11 Prior period adjustment

(Continued)

Reconciliation of changes in equity

	1 June 2020 £	31 May 2021 £
Adjustments to prior year		
Restatement of insurance debtor	(21,295)	-
Correction of irrecoverable VAT for year ended 31 May 2020	(12,957)	-
Correction of irrecoverable VAT for year ended 31 May 2021	-	(11,874)
	<hr/>	<hr/>
Total adjustments	(34,252)	(11,874)
Equity as previously reported	505,824	505,223
	<hr/>	<hr/>
Equity as adjusted	<u>471,572</u>	<u>493,349</u>

Analysis of the effect upon equity

Profit and loss reserves	<u>(12,957)</u>	<u>(11,874)</u>
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Reconciliation of changes in surplus for the previous financial period

	2021 £
Adjustments to prior year	
Correction of irrecoverable VAT for year ended 31 May 2021	(11,874)
Surplus as previously reported	33,651
	<hr/>
Surplus as adjusted	<u>21,777</u>