

International Society for Prosthetics and Orthotics

c/o Niels Verner Petersen
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Strøby Egede
4600 Køge

CVR no. 39 53 95 19

Annual report 2021

The annual report was presented and approved at the
Company's annual general meeting
on 9 May 2022

Chairman of the Annual General Meeting

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of International Society for Prosthetics and Orthotics (ISPO) for the financial year 1 January – 31 December 2021.

The annual report has been presented in accordance with the Danish Foundations Act and ISPO's constitution.

It is our opinion that the financial statements give a true and fair view of ISPO's assets, liabilities and financial position at 31 December 2021 and of the results of the Association's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

Brussels, 9 May 2022
Executive Board:

Claude Tardif
President

David Constantine
President-Elect

Edward Lemaire
Past President

Mariette Deist
Secretary

Jon Batzdorff
Treasurer

Hung-Hei Kwan
Member

Anton Johannesson
Member

Bryan Malas
Member

Rune Nilsen
Member

Kengo Onishi
Member

Sandra Ramdial
Member

Independent auditor's report

Opinion

We have audited the financial statements of International Society for Prosthetics and Orthotics for the financial year 1 January – 31 December 2021, comprising statement of activities, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Foundations Act and the ISPO foundation and policies.

In our opinion, the financial statements give a true and fair view of ISPO's assets, liabilities and financial position at 31 December 2021 and of the results of the Association's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Foundations Act and ISPO's constitution and policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Foundations Act and ISPO's constitution and policies and for such internal control that Management determines 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, Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Foundations Act and ISPO's constitution.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with ISPO' foundation and policies. We did not identify any material misstatement of the Management's review.

Copenhagen, 9 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Kenn W. Hansen
State Authorised
Public Accountant
mne30154

Management's review

Operating review

Mission and vision

ISPO aims to improve the quality of life for persons who may benefit from prosthetic, orthotic, mobility and assistive devices by

- ensuring quality care and education of professionals for the benefit of patients around the world
- promoting research and evidence-based practice
- facilitating innovative and appropriate technology development
- promoting international collaboration and consensus building
- fostering exchange, high-quality knowledge and networking.

ISPO contributes to a world where all persons have equal opportunity for full participation in society.

Activities

ISPO

ISPO undertakes support activities in less-resourced parts of the world to help improve prosthetics and orthotics services. In particular, ISPO assists in implementing education programmes, organises workshops and seminars, and contributes to developing the overall standards of education and services to the disabled.

In collaboration with the World Health Organization, ISPO develops education and training curricula for prosthetists and orthotics' (ISPO Category I professionals) as well as orthopaedic technologists (ISPO Category II professionals).

ISPO provides recognition for category I and II levels to educational programmes and associated professional pathways offered by schools and training institutions around the world.

ISPO compiles and reviews practice standards for P&O professionals through education symposia, curriculum updating, material and product evaluation and classification.

ISPO organises world congresses, consensus conferences, short courses, workshops and consultative meetings.

Moreover, ISPO publishes its own scientific journal, *Prosthetics and Orthotics International*, and develops course and conference reports and other publications.

Further and more specific information can be found in the latest activity report on:

<http://www.ispoint.org>.

Management's review

Operating review

Comments on the financial development

Total income in 2021 amounted to EUR 471.2 thousand compared to EUR 260.9 thousand the year before, whereas total costs in 2021 amounted to EUR 425.1 thousand compared to EUR 394.3 thousand the year before.

Net result amounted to a profit of EUR 46.1 thousand compared to a loss of EUR 133.4 thousand the year before.

Total assets at year-end amounted to EUR 1,666.6 thousand and primarily comprise securities, receivables, and cash. Total equity at year-end amounted to EUR 1,518.2 thousand.

Events after the balance sheet date

The effect of the Covid-19 pandemic on ISPO has so far been limited.

It is expected that revenues will not be dramatically affected by the Covid-19 pandemic. Some of the education activities are postponed (certifications of schools and systems), but it is assessed that this will not lead to a major effect on revenue streams.

It is currently not possible to say to what extent the World Congress will be affected. If the crisis persists, there is a risk that the World Congress will have to be postponed or that the recession could reduce the number of exhibitors and participants.

Financial statements 1 January – 31 December

Statement of activities

EUR'000	Note	2021	2020
Revenue			
Member dues/Institutional		159.7	138.1
Industry Partners	2	16.0	21.0
Publications Royalty Wolters		37.8	0.0
Publications Royalty SAGE		0.0	67.0
Sign on bonus Wolters		41.0	0.0
Support Editor Wolters		37.6	0.0
Support Editor SAGE		0.0	11.6
Evaluations/Consultations/accreditations/Selfstudy		23.8	9.5
Congress – net income		33.0	0.0
Return on investments/exchange rate		116.9	13.5
Other income		5.4	0.0
		<u>471.2</u>	<u>260.7</u>
Expenses			
Educational stand. & evaluations		-5.7	-4.5
Collaborating org. meetings		-2.0	-2.6
Conferences and courses		0.0	-2.0
Publications		-80.3	-53.7
Marketing		-231.6	-224.1
Executive Board meetings		0.0	-5.8
Office Support/operating expenses		-105.5	-101.6
		<u>-425.1</u>	<u>-394.3</u>
Net result		<u>46.1</u>	<u>-133.6</u>

Financial statements 1 January – 31 December

Balance sheet

EUR'000	Note	2021	2020
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		12.0	0.0
		12.0	0.0
Investments			
Securities, ISPO		1,444.1	1,300.2
Securities, Blatchford	3	26.1	25.0
		1,470.2	1,325.2
Total non-current assets		1,482.2	1,325.2
Current assets			
Receivables			
Receivables		37.8	0.0
Prepaid expenses		88.7	121.7
		126.5	121.7
Cash at bank and in hand		58.0	275.6
Total current assets		184.4	397.3
TOTAL ASSETS		1,666.6	1,722.5
EQUITY AND LIABILITIES			
Equity			
Net assets	4	1,518.2	1,471.0
Total equity		1,518.2	1,471.0
Liabilities			
Creditors		69.5	87.1
Other accrued expenses		73.2	156.7
Prepaid income		5.7	7.7
Total liabilities		148.4	251.5
TOTAL EQUITY AND LIABILITIES		1,666.6	1,722.5

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of The International Society for Prosthetics and Orthotics for 2021 has been prepared in accordance with the Danish Foundations Act and ISPO's constitution.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The annual report is disclosed in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Statement of activities

Revenue and directly related costs

Income from memberships, sponsorships, grants and other income is recognised as revenue when the conditions necessary to receive the income are met and the income may be reliably measured and is expected to be received.

Costs directly related to revenue comprise wages and salaries, travel costs, conferences, meetings, etc. Such costs directly related to revenue are recognised when incurred and/or accrued if relating to recognised income.

For some activities, revenue and directly related costs are presented as one item in the statement of activities.

The net results of activities summarise the revenue and directly related costs.

Sales and marketing costs

Sales and marketing costs comprise costs incurred to promote ISPO and sell memberships and sponsorships during the year and to conduct campaigns, etc., including costs relating to staff, marketing, advertising as well as costs related to the website.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of ISPO, including expenses for administrative staff, management, office premises, office expenses and depreciation on office equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables, and transactions denominated in foreign currencies.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Investments

Bonds, shares and other securities have been recognised at market value at year-end.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Liabilities

Liabilities comprising suppliers and other debt are measured at net realisable value.

2 Industry Partners

EUR'000	2021	2020
Proteeur	0.0	5.0
Fillauer	5.0	5.0
Otto Bocck HealthCare GmbH	5.0	5.0
Össur hf	5.0	5.0
Prodfit Technologies JSC	1.0	1.0
	<u>16.0</u>	<u>21.0</u>

3 Blatchford

ISPO has in previous years received a special grant called Blatchford. The funds are to be used for special purposes and are therefore kept in a separate deposit and as a separate fund under the net equity.

At 31 December 2021, the funds amounted to EUR 26.1 thousand (2020: EUR 25.0 thousand). The profit on the investment in 2021 amounts to EUR 1.1 thousand.

In 2021, there has been no activity regarding Blatchford.

Financial statements 1 January – 31 December

Notes

4 Equity

EUR'000	Retained earnings	Blatchford	Operating reserve	Total
Balance at 1 January 2021	696.0	25.0	750.0	1,471.0
Results for 2021	46.1	1.1	0.0	47.2
Balance at 31 December 2021	742.1	26.1	750	1,518.2

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President

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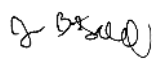
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Edward Lemaire

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Kengo Onishi

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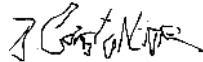
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Kenn Wolff Hansen

Statsautoriseret revisor

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