

REGISTERED COMPANY NUMBER: 895080 (England and Wales)  
REGISTERED CHARITY NUMBER: 257133

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER 2010  
FOR  
THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT



**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 18

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

895080 (England and Wales)

**Registered Charity number**

257133

**Registered office**

2 Abingdon House  
Cumberland Business Centre  
Northumberland Road  
Portsmouth  
Hampshire  
PO5 1DS

**Trustees**

**Board of trustees and members of council**

**President.**

R Smith CEng FIHEEM  
P Kingsmore CEng FIHEEM

stood down 11th May 2010  
appointed 11th May 2010

**Board**

A D Cameron CEng FIHEEM  
R J Chatwin CEng CIHEEM  
N H Davies FIHEEM  
J J Crawford CEng FIHEEM  
P M Dunn IEng FIHEEM  
I Hinnitt CEng FIHEEM  
N J Keery CEng FIHEEM  
D A Kerr CEng FIHEEM  
I J Little CEng FIHEEM  
G Markham CEng FIHEEM  
G Marsh CEng FIHEEM  
G McKeown CEng FIHEEM  
W S H Millar CEng FIHEEM  
M Patel FIHEEM  
M A Ralph CEng FIHEEM  
G A Stanton IEng FIHEEM  
P J Wade Eng Tech MIHEEM  
H Waugh IEng FIHEEM  
A J Wavell IEng FIHEEM

stood down 24th June 2010  
stood down 5th October 2010

stood down 5th October 2010  
stood down 5th October 2010

stood down 5th October 2010  
stood down 5th October 2010

stood down 5th October 2010  
stood down 5th October 2010

stood down 5th October 2010

**Chief Executive and Company Secretary**

P J Long MBE

**Auditors**

Morris Crocker  
Chartered Accountants  
Registered Auditors  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Solicitors**

Saulet Ashworth LLP  
Froddington House  
Cumberland Business Centre  
Northumberland Avenue  
Portsmouth  
PO5 1DS

**Bankers**

Barclays Bank Plc  
Marble Arch Corporate Banking Group  
P O Box 32016  
Edgware Road  
London, W2

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The full name of the charity is "The Institute of Healthcare Engineering and Estate Management" (IHEEM). The charity is a company limited by guarantee (Registered Number 895080) which was incorporated in 1967, is registered with the Charity Commissioners (Registration Number 257133) and is governed by its Memorandum and Articles of Association last updated on 5th October 2010. The full range of governing documents, Terms of Reference of the governing council and council committees, along with profiles of individual trustees is available on the members only area of the charity's website at [www.iheem.org.uk](http://www.iheem.org.uk)

**Recruitment and appointment of new trustees**

During the reporting year the charity amended its Articles of Association to reduce the number of trustees from twenty five elected trustees and up to an additional six trustees to a maximum of thirteen trustees, with revised Articles concerning trustees' appointments, proceedings and retirements. From October 2010 the trustees, who also constitute the governing council, were formed by the President, who serves for a two year term, and twelve additional trustees, one trustee drawn from each of the twelve United Kingdom based branch areas. The twelve branch area trustees are drawn from the membership and recruited through open advertising. Trustees are selected for recommendation to the charity by the governing council. Trustees are selected on skill, with some rules of guidance, and have a duty of care to the charity as a whole and not as a representative of a branch, committee or job specialisation. The charity considers this amendment and resulting change to its governing structure will strengthen the charity and benefit everyone in the long term, without disadvantaging unreasonable categories of membership, geographical areas or specialist groupings and ensures that trustees are respected members of the charity and ensures continuing good relations between the charity, its members, the professional healthcare engineering and estate management community and the wider public the charity serves.

At each annual general meeting one-third of the trustees must retire from office, selected from those who have been longest in appointment. Retiring trustees may offer themselves for reappointment by the members, but must retire after a second period of appointment. The trustees have additional powers to appoint additional trustees should the number of trustees fall less than thirteen, but these trustees must retire at the next annual general meeting.

**Induction and training of new trustees**

Following appointment, new trustees are introduced to their role and provided with copies of the Institute's Memorandum of Association, Articles of Association, trustees terms of reference and council committee terms of reference. New trustees are also provided Charity Commission publications concerning risk, governance and public benefit. One day specialist charity governance courses are available to all trustees on request. This induction process ensures that new trustees are aware of the scope of their responsibilities under the Charities Act.

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The trustees meet together three times a year and are responsible for the control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits.

To assist in the smooth running of the charity the trustees have established a number of subordinate committees that help them oversee certain aspects of the charity's work. Committees are currently established for Audit, Conference, Education, Management & Finance, Membership, Technology. The subordinate committees report back with their recommendations to the full meeting of the trustees. The charity has fourteen regional branches covering the UK, the Republic of Ireland and Hong Kong. The day-to-day management of the charity is delegated to a small secretarial and administrative staff who operate from leasehold premises in Portsmouth, Hampshire.

**Risk management**

The trustees have assessed the risks the charity faces and have drawn up a risk matrix benchmarked against the Charity Commission published guidance on risk management. The risk matrix identifies the major risks of activity, the nature of those risks, the likelihood of those risks happening and the measures taken to manage them. The trustees review this risk matrix regularly at their meetings. The trustees are satisfied that systems are in place or arrangements are in hand to manage risks that have been identified.

**OBJECTIVES AND ACTIVITIES**

**The charity's objectives**

The charity's objectives reflect the mission of the charity. Each year trustees review objectives and activities to ensure that they continue to reflect the charity's aims. In carrying out this review the trustees have considered the Charity Commission's general guidance on public benefit and in particular its guidance on education and training for public benefit.

**Mission**

The charity is a professional body and learned society serving the interests of those involved in and with responsibility for healthcare engineering and estate management including the design, procurement and maintenance of healthcare facilities and equipment. The charity is established for public benefit to promote the art and science of healthcare engineering and estate management and to advance research, education and training.

**Activities**

The charity's activities include the mentoring and career development of healthcare engineers, allied built environment professionals and facility managers, the publication of a professional journal, the holding of educational seminars, and the holding of an annual educational conference.

Each year the trustees review the charity's objectives and activities to ensure that they continue to reflect the charity's mission. In carrying out this work the trustees have considered the Charity Commission's general guidance on public benefit.

**Volunteers**

Volunteers are an important resource in both the running of the charity and the management of its educational activities. Over 60 volunteers regularly give their time for the running and management of the governing council and its committees, with further volunteers giving their time to the running and management of branch activities and the programme of educational events. All trustees give their time freely. The Institute encourages all members to become involved in voluntary activities and to share their skills with others.

# **THE INSTITUTE OF HEALTHCARE ENGINEERING AND ESTATE MANAGEMENT**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2010**

### **ACHIEVEMENT AND PERFORMANCE**

#### **Charitable activities; how the charity's activities deliver public benefit**

The charity carries out a wide range of activities in pursuance of its charitable objectives. The trustees consider that these activities summarised below provide benefit to the public and the wider community.

#### **Educational seminars**

Nine healthcare facility educational seminars were held during the year on four specialist subjects: carbon reduction in healthcare premises, risk management in healthcare estates, water management in healthcare premises, safe management of healthcare waste. The charity's branches additionally host a range of specialist educational seminar events.

#### **Educational conference & exhibition**

The IHEEM annual conference and exhibition was held at the Manchester Central Convention Complex on the 5th and 6th October 2010. Delegates attended a programme of keynote strategic plenary sessions and educational presentations in five parallel streams including Design and Construction, Energy and Sustainability, Risk Management, Estates and Premises Management, Facilities Management, Developing the Lean Estate, Energy and Sustainability, Patient Safety. There was a total presentation of 52 papers in 32 different sessions. The exhibition was again popular and successful, with 200 healthcare built environment facility companies participating. The conference attracted 370 delegates, speakers and chairs. The event attracted a total of 1,100 visitors for the combined conference and exhibition. The charity's larger branches additionally hold one day conferences that contribute to both the charity's activities and income generation.

#### **Engineering Council**

The charity remains a strategic partner of Engineering UK and the Engineering Council. The charity's work centres on compliance with the Engineering Council audit and quality assurance requirements to hold the licence for assessing candidates for registration as an Engineering Technician, Incorporated Engineer and Chartered Engineer. The charity also supports the Engineering Council's work to promote society's confidence and trust in the engineering profession. The charity's registered engineers hold internationally recognised standards of competence and commitment for the engineering profession whose skills underpin provision and/or distribution of the basic necessities of civilised life concerning healthcare buildings, energy use, provision of safe water and sanitation, food, transport and communications. Other work with the Engineering Council involves the provision of training for interviewers, participation in the audit of other institutes and promoting the Engineering Register.

#### **Branches**

The charity has fourteen branches, twelve branch areas are represented on the charity's governing council. Branch committees are populated by volunteers who give their time to the management of education activities, branch based seminars, providing interview panels for new members, Engineering Council registrants, and recruiting new members. Branch activity is at the forefront of the charity's activity in delivery of its objectives.

#### **Journal**

The popular quality educational publication 'Health Estate Journal' is distributed to all members ten times per year. The trustees manage the Journal through the Education Committee that is constituted by members of the institute. The Journal remains attractive, popular and informative.

#### **International Federation of Hospital Engineering (IFHE)**

The charity remains a committed member of IFHE. IFHE is a non-profit, non-governmental and independent organisation whose resources are used to foster and promote exchange of hospital engineering technology knowledge with the ultimate goal that people everywhere may receive better healthcare. The charity continued to provide the administration service for the Federation throughout the year.

#### **Membership**

The charity's membership numbers on 31st December 2010 were recorded as 1,662 individual members, compared to 1,645 individual members on 31st December 2009, an increase of 1%. On 31st December 2010 there were 156 Company Affiliate Members each having up to 4 nominated named non-voting members, compared to 140 Company Affiliates recorded on 31st December 2009, an increase of 11%. The total number of members on 31st December 2009 is recorded as 2,127 compared to 2,072 on 31st December 2009, an increase of 3%. Membership fee concessions are offered for graduate members, retired or pensionable members, members of limited means of income and University Company Affiliate members.

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**ACHIEVEMENT AND PERFORMANCE**

**Awards**

Recognition of public contribution to healthcare engineering and estate management and excellence in achievement is at the heart of the charity's work. The charity recognises individual achievements by providing a number of awards, medals and prizes. The 2010 award winners were

Lifetime Achievement Award	Delme Griffiths CEng FIHEEM
John Bolton Memorial Award for excellence in the field of education and training	Malcolm Thomas IEng FIHEEM
Lucas Scholarship Award for significant contribution to branch activities	Peter Pierce FIHEEM and Anthony Trimble MIHEEM
William E Schall Award for excellence in medical technologies	Jane Tanner
Northcroft Silver Medal for outstanding contribution to the advancement of healthcare engineering	Keith Feay CEng FIHEEM

**FINANCIAL REVIEW**

**Reserves policy**

The Institute maintains reserves which the Council deems appropriate for its efficient operation and for the generation of additional income on a prudent basis. Just under half of the charity's income is generated through membership income received primarily in the first three months of the year and the other half generated through the year from seminar activity and annual conferences. A level of free reserves of £150,000 equating to approximately six months management, administration is considered appropriate. The actual free reserves exceeded the required level and amounted to £474,920 which will permit increased expenditure on Institute development.

**Investment policy and objectives**

The Institute's constitution allows the Trustees to invest in any way they wish.

The Trustees, having regard to the liquidity requirements of operating the Institute and the reserves policy set out below, have operated a policy of keeping available funds in an interest bearing deposit account.

The invested funds held on deposit achieved an average rate of return of 0.3% against the Office for National Statistics, Consumer Price Index (CPI), for the year to December 2010 of 3.7%.

**Principal funding sources**

The Charity's income is derived from two main resources: membership subscriptions and educational events, including seminars and conferences (annual IHEEM conference/exhibition and branch conferences). Income through membership subscriptions totalled £207K (2009 = £207K) which reflects the broadly static membership numbers. Events income totalled £260K (2009 = £319K), the reduction of £59K over 2009 income is a result of outsourcing the 2010 annual conference delegate sales to a third party provider who deducted their administration fee at source and one less branch conference because of the varying branch conference cycle. Event resources expended at £273K (2009 = £343K) remains disproportionately high compared to events income.

Educational events at 54% of total turnover is an important element in the charity's programme of activities, the trustees are keen to continue with this work that provides benefit to both the charity's members and the public.

Overall the charity produced a surplus of £23,596 (2009 = loss of £925) on a turnover of £475,702.

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**PLANS FOR THE FUTURE**

The charity's plans for the future include continuing the programme of re-profiling membership services and activities to attract and retain younger members, a continuing tightening of administration and governance costs, and greater improvement in the charity's existing technical contribution to society. It is envisaged that these measures will continue to enhance the attractiveness, visibility and credibility of the charity.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of The Institute of Healthcare Engineering and Estate Management for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Morris Crocker, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Trustee

PAUL KINSMORE

Date

15/3/11



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

We have audited the financial statements of The Institute of Healthcare Engineering and Estate Management for the year ended 31st December 2010 on pages nine to eighteen. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

**Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page six.

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

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Report of the Trustees is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**Opinion**

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the Trustees is consistent with the financial statements



R M L Perry (Senior Statutory Auditor)  
for and on behalf of Morris Crocker  
Chartered Accountants  
Registered Auditors  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

Date 10<sup>th</sup> June 2011

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

	Notes	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	-	-	-	1,000
Investment income	3	1,520	33	1,553	1,830
<b>Incoming resources from charitable activities</b>					
	4				
Seminars		62,950	-	62,950	53,797
Conferences		197,233	-	197,233	265,394
Publications		2,125	-	2,125	2,500
Membership		207,619	-	207,619	207,115
Miscellaneous		4,222	-	4,222	4,252
<b>Total incoming resources</b>		<b>475,669</b>	<b>33</b>	<b>475,702</b>	<b>535,888</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	5	10,969	-	10,969	13,324
<b>Charitable activities</b>					
	6				
Seminars		47,915	-	47,915	46,189
Conferences		225,437	-	225,437	296,901
Publications		1,246	-	1,246	1,382
Membership		129,488	-	129,488	133,075
<b>Governance costs</b>	8	<b>37,082</b>	<b>-</b>	<b>37,082</b>	<b>45,796</b>
<b>Total resources expended</b>		<b>452,137</b>	<b>-</b>	<b>452,137</b>	<b>536,667</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>					
		<b>23,532</b>	<b>33</b>	<b>23,565</b>	<b>(779)</b>
<b>Other recognised gains/losses</b>					
Gains/losses on investment assets		-	31	31	(146)
<b>Net movement in funds</b>		<b>23,532</b>	<b>64</b>	<b>23,596</b>	<b>(925)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>651,779</b>	<b>3,965</b>	<b>655,744</b>	<b>656,669</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>675,311</b>	<b>4,029</b>	<b>679,340</b>	<b>655,744</b>

The notes form part of these financial statements

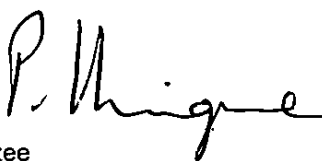
**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**BALANCE SHEET  
AT 31ST DECEMBER 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	12	200,391	166,330
Investments	13	732	701
		<u>201,123</u>	<u>167,031</u>
 <b>CURRENT ASSETS</b>			
Stocks		3,897	2,626
Debtors amounts falling due within one year	14	57,153	28,727
Cash at bank		478,507	525,018
		<u>539,557</u>	<u>556,371</u>
 <b>CREDITORS</b>			
Amounts falling due within one year	15	(61,340)	(67,658)
		<u>478,217</u>	<u>488,713</u>
 <b>NET CURRENT ASSETS</b>			
		<u>478,217</u>	<u>488,713</u>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		679,340	655,744
 <b>NET ASSETS</b>		<u>679,340</u>	<u>655,744</u>
 <b>FUNDS</b>	18		
Unrestricted funds		675,311	651,779
Restricted funds		4,029	3,965
 <b>TOTAL FUNDS</b>		<u>679,340</u>	<u>655,744</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 15/3/11 and were signed on its behalf by

  
Trustee

PAUL KINGSMORE

The notes form part of these financial statements

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

**Incoming resources**

Subscriptions income is taken into account on a receipts basis

Fees for services (seminars, conferences, publications) are taken into account when the service is performed

Investment income is credited on an accruals basis

**Resources expended**

Expenditure is recognised on an accruals basis as the liability is incurred. Expenditure includes any related non recoverable VAT which is reported as part of the expenditure to which it relates

**Cost of generating funds**

The costs of generating funds from charitable activities include the direct costs which relate to the generation of the relevant income

**Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities of its services to beneficiaries. It excludes governance costs

**Governance costs**

Governance costs included those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and any costs linked to the strategic management of the charity. They also include the costs of council meetings

**Allocation and apportionment of costs**

Support costs are allocated to an activity on a basis of average time spent by staff in assisting the organising and administration of those functions

**Tangible fixed assets**

Fixed asset additions and replacements of furniture and equipment totalling over £1,000 p.a. are written off over their estimated useful life, using a 25% depreciation rate on written down value

The leasehold property has been revalued by the council at 31st December 2000 on a current value basis. With effect from 2001 depreciation is provided so as to write off the lease over its useful life

In accordance with the provisions of the SORP the Trustees have elected not to incorporate further revaluations of the property in the financial statements

Leasehold improvements are written off over their estimated useful life using a depreciation rate of 10% p.a. on written down value

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Taxation**

The charity is exempt from corporation tax on its charitable activities

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**1 ACCOUNTING POLICIES - continued**

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Investments**

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on market value at the end of the year.

**2 VOLUNTARY INCOME**

	2010 £	2009 £
Legacies	-	1,000

**3 INVESTMENT INCOME**

	2010 £	2009 £
Investment income	33	33
Deposit interest	1,520	1,797
	<u>1,553</u>	<u>1,830</u>

All investment income is derived from assets held in the United Kingdom.

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Activity	2010 £	2009 £
Seminars	Seminars	62,950	53,797
Conferences	Conferences	197,233	265,394
Publications	Publications	2,125	2,500
Subscriptions and entrance fees	Membership	207,619	207,115
Miscellaneous income	Miscellaneous	4,222	4,252
		<u>474,149</u>	<u>533,058</u>

**5 COSTS OF GENERATING VOLUNTARY INCOME**

	2010 £	2009 £
Membership recruitment	<u>10,969</u>	<u>13,324</u>

**6 CHARITABLE ACTIVITIES COSTS**

	Direct costs £	Support costs (See note 7) £	Totals £
Seminars	25,050	22,865	47,915
Conferences	88,262	137,175	225,437
Publications	1,246	-	1,246
Membership	3,743	125,745	129,488
	<u>118,301</u>	<u>285,785</u>	<u>404,086</u>

**7 SUPPORT COSTS**

	Management £
Seminars	22,865
Conferences	137,175
Membership	125,745
	<u>285,785</u>

Activity	Basis of allocation
Management	Time

Support costs, included in the above, are as follows

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**7 SUPPORT COSTS - continued**

**Management**

				2010 Total activities £	2009 Total activities £
	Seminars £	Conferences £	Membership £		
Wages	13,229	79,370	72,756	165,355	175,033
Social security	1,299	7,789	7,140	16,228	18,180
Pensions	957	5,739	5,261	11,957	10,471
Office costs	4,173	25,032	22,946	52,151	52,307
Meeting costs	1,172	7,035	6,449	14,656	21,119
Legal and professional fees	407	2,441	2,238	5,086	6,415
Irrecoverable VAT	504	3,026	2,774	6,304	-
Depreciation of tangible and heritage assets	1,124	6,743	6,181	14,048	11,491
	<u>22,865</u>	<u>137,175</u>	<u>125,745</u>	<u>285,785</u>	<u>295,016</u>

**8 GOVERNANCE COSTS**

	2010 £	2009 £
Legal fees	6,353	-
Cost of Council meetings	25,704	40,921
Auditors' remuneration	5,025	4,875
	<u>37,082</u>	<u>45,796</u>

**9 NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting)

	2010 £	2009 £
Auditors' remuneration	5,025	4,875
Depreciation - owned assets	14,049	11,491
Auditors' remuneration - Non audit	2,645	2,600

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st December 2010 nor for the year ended 31st December 2009

**Trustees' Expenses**

Trustees are reimbursed actual costs necessarily incurred in attending to the charity's business at council meeting. These mainly include travelling costs. The number of Trustees reimbursed was 13 (2009 21) the total reimbursed was £14,250 (2009 £17,812)



**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**11 STAFF COSTS**

	2010 £	2009 £
Wages and salaries	165,355	175,033
Social security costs	16,228	18,180
Other pension costs	11,957	10,471
	<u>193,540</u>	<u>203,684</u>

No employee had emoluments in excess of £60,000

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1st January 2010	135,000	24,001	60,646	219,647
Additions	-	-	48,110	48,110
	<u>135,000</u>	<u>24,001</u>	<u>108,756</u>	<u>267,757</u>
At 31st December 2010				
	<u>135,000</u>	<u>24,001</u>	<u>108,756</u>	<u>267,757</u>
<b>DEPRECIATION</b>				
At 1st January 2010	12,150	6,504	34,663	53,317
Charge for year	1,350	1,750	10,949	14,049
	<u>13,500</u>	<u>8,254</u>	<u>45,612</u>	<u>67,366</u>
At 31st December 2010				
	<u>13,500</u>	<u>8,254</u>	<u>45,612</u>	<u>67,366</u>
<b>NET BOOK VALUE</b>				
At 31st December 2010	<u>121,500</u>	<u>15,747</u>	<u>63,144</u>	<u>200,391</u>
At 31st December 2009	<u>122,850</u>	<u>17,497</u>	<u>25,983</u>	<u>166,330</u>

The leasehold property is shown above at a valuation carried out by the Council on 31st December 2000 on a current use basis. The historical cost of the property is £149,598 (2009 - £149,598)

An informal valuation carried out in late 2007 indicates a property value of £190,000

**13 FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1st January 2010	701
Revaluations	31
	<u>732</u>
At 31st December 2010	
	<u>732</u>
<b>NET BOOK VALUE</b>	
At 31st December 2010	<u>732</u>
At 31st December 2009	<u>701</u>

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**13 FIXED ASSET INVESTMENTS - continued**

Analysis of investments by type

	2010 £	2009 £
Equities	-	-
Fixed interest securities	732	701
Cash held within the investment portfolio	-	-
	<u>732</u>	<u>701</u>

Geographical analysis of investments

	2010 £	2009 £
Held inside the United Kingdom	732	701
Held outside the United Kingdom	-	-
	<u>732</u>	<u>701</u>

The trustees consider that the following investment holdings are material (representing more than 5% of the total portfolio value)

Holding	Units Held	Market Value £
3 1/2% War Stock	943 61	<u>732</u>

**14. DEBTORS, AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Other debtors	<u>57,153</u>	<u>28,727</u>

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	24,152	21,485
Social security and other taxes	19,765	16,622
Deferred income	9,758	15,462
Accrued expenses	7,665	14,089
	<u>61,340</u>	<u>67,658</u>

	2010 £	2009 £
Brought forward	15,462	18,818
Amount released to incoming resources	(15,462)	(18,818)
Amount deferred in year	<u>9,758</u>	<u>15,462</u>
Carried forward	<u>9,758</u>	<u>15,462</u>

**16 PENSION COMMITMENTS**

The company operates a defined contribution scheme which is administered independently of the charity. The costs to the Charity for the year was £11,957 (2009 £10,471). There are no amounts due to the pension scheme administrator at the year end. The expected cost to the Charity in the coming year is expected to be in line with that of 2010.

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Fixed assets	200,391	-	200,391	166,330
Investments	-	732	732	701
Current assets	536,260	3,297	539,557	556,371
Current liabilities	<u>(61,340)</u>	<u>-</u>	<u>(61,340)</u>	<u>(67,658)</u>
	<u>675,311</u>	<u>4,029</u>	<u>679,340</u>	<u>655,744</u>

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**18 MOVEMENT IN FUNDS**

	At 1 1 10 £	Net movement in funds £	At 31 12 10 £
<b>Unrestricted funds</b>			
General fund	651,779	23,532	675,311
<b>Restricted funds</b>			
Northcroft Silver Medal Award Fund	887	64	951
Lucas Scholarship Fund	3,078	-	3,078
	<u>3,965</u>	<u>64</u>	<u>4,029</u>
<b>TOTAL FUNDS</b>	<u><u>655,744</u></u>	<u><u>23,596</u></u>	<u><u>679,340</u></u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	475,669	(452,137)	-	23,532
<b>Restricted funds</b>				
Northcroft Silver Medal Award Fund	33	-	31	64
<b>TOTAL FUNDS</b>	<u><u>475,702</u></u>	<u><u>(452,137)</u></u>	<u><u>31</u></u>	<u><u>23,596</u></u>

**19 ULTIMATE CONTROLLING PARTY**

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

**20. LEGAL STATUS OF THE CHARITY**

The charitable company is a limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.