

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2011
FOR**

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 31 December 2011. 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

P Kingsmore

Board of trustees and members of council

President	Kingsmore CEng FIHEEM	appointed 11th May 2010
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Board:	A D Cameron CEng FIHEEM	North West branch
	D W Chaplin CEng FIHEEM	Southern branch appointed 1st November 2011
	J J Crawford CEng FIHEEM	London branch
	P M Dunn IEng FIHEEM	North East branch stood down 1st November 2011
	I Hitt CEng FIHEEM	Yorkshire branch
	I J Little CEng FIHEEM	West Midlands branch
	G Marsh CEng FIHEEM	Southwest branch Appointed 1st November 2011
	G McKeown CEng FIHEEM	Northern Ireland branch
	W S H Millar CEng FIHEEM	East Midlands branch stood down 1st November 2011
	M Richards CEng MIHEEM	East Midlands branch appointed 1st November 2011
	G A Stanton IEng FIHEEM	Welsh branch
	H Waugh IEng FIHEEM	Scotland branch
	A J Wavell IEng FIHEEM	Southern branch stood down 1st November 2011
	T Webster IEng MIHEEM	East Anglia branch appointed 1st November 2011

Chief Executive

R P Boyce

Company Secretary

A Morgan

Auditors

Morris Crocker
Chartered Accountants
Statutory 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 31 DECEMBER 2011**

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 1st November 2011. 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 charity's website at www.iheem.org.uk

Recruitment and appointment of new trustees

At each annual general meeting one-third of the branch area based trustees must retire from office, selected from those who have been longest in appointment. Retiring trustees may offer themselves for reappointment, 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 with Charity Commission publications concerning risk, governance and public benefit. All new trustees are encouraged to attend a one day specialist charity governance course. This induction process ensures that new trustees are aware of the scope of their responsibilities under the Charities Act.

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 and 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 Management and Finance Committee oversee the operational management on behalf of the trustees, with day-to-day management delegated to a small secretarial and administrative staff that operates 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.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 31 DECEMBER 2011**

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

Six healthcare facility educational seminars were held during the year on three specialist subjects: Electrical Installation Guidance for Healthcare Premises, the Role of Practical Risk Management in Estates and Facilities Management Maintaining Compliance. The charity's branches additionally host a range of specialist educational seminar events.

Educational conference & exhibition

The annual IHEEM Healthcare Estates Conference and Exhibition was held at the Manchester Central Convention Complex on the 1st and 2nd November 2011. Delegates attended a programme of keynote strategic plenary sessions and educational presentations in four parallel streams including Quality Improvements through productivity, Achieving performance through innovation, Best Practice, Architects for Health - Designing for the Future, BRE and Careers. There was a total presentation of 49 papers in 28 different sessions. The exhibition was again popular and successful, with 171 healthcare built environment facility companies participating. The conference attracted 374 delegates, speakers and chairs. The event attracted a total of 1,341 visitors for the combined conference and exhibition. The Awards Dinner attracted an audience of 250 and was well received. 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 engineers once registered are internationally recognised having demonstrated 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 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.

**THE INSTITUTE OF HEALTHCARE ENGINEERING
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011**

ACHIEVEMENT AND PERFORMANCE

Membership

The charity's membership numbers on 31st December 2011 were recorded as 1630 individual members, compared to 1662 individual members on 31st December 2010, a decrease of 1.93%. On 31st December 2011 there were 173 Company Affiliate Members each having up to 4 nominated named non-voting members, compared to 156 Company Affiliates recorded on 31st December 2010, an increase of 10.90%. The total number of members on 31st December 2011 is recorded as 2170 compared to 2127 on 31st December 2010, an increase of 2.02%. Membership fee concessions are offered for graduate members, retired or pensionable members, members of limited means of income and University Company Affiliate members.

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 2011 award winners were:

Lifetime Achievement Award	Phil Nedin CEng FIHEEM (Former President)
John Bolton Memorial Award for excellence in the field of education and training	Bill Miller CEng FIHEEM
Lucas Scholarship Award for significant contribution to branch activities	Peter Tansey FIHEEM
William E Schall Award for excellence in medical technologies	Owen Stiles
Northcroft Silver Medal for outstanding contribution to the advancement of healthcare engineering	Graeme Dunn MIHEEM

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. Around 63% of the charity's income is generated through membership income received primarily in the first three months of the year and the remaining income is 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 £435,030 which will permit increased expenditure on Institute development.

Investment policy and objectives

The memorandum association describes how monies of the institute not immediately required for its purposes can be invested.

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 2011 of 3.7%.

**THE INSTITUTE OF HEALTHCARE ENGINEERING
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011**

FINANCIAL REVIEW

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 £217K (2010 = £207K Events income totalled £111K (2010 = £260K), the reduction of £149K over 2010 income is a result of outsourcing the annual conference delegate sales to a third party provider and less seminars being ran Event resources expended at £139K (2010 = £273K) remains disproportionately high compared to events income

Educational events at 33% 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 loss of £58,896 (2010 = Surplus of £23,596) on a turnover of £340,001

PLANS FOR THE FUTURE

The charity has a business plan covering the period up to 2015 which includes 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 Accounting Standards (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

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011**

AUDITORS

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

ON BEHALF OF THE BOARD

P Kingsmore - Trustee

15 March 2012

**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 31 December 2011 on pages ten to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees

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

1 May 2012

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

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	1,992	33	2,025	1,553
Incoming resources from charitable activities					
Seminars	3	32,230	-	32,230	62,950
Conferences		78,864	-	78,864	197,233
Publications		2,130	-	2,130	2,125
Membership		217,202	-	217,202	207,619
Miscellaneous		7,550	-	7,550	4,222
Total incoming resources		339,968	33	340,001	475,702
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	12,099	-	12,099	10,969
Charitable activities					
Seminars	5	42,949	-	42,949	47,915
Conferences		96,637	-	96,637	225,437
Publications		1,231	-	1,231	1,246
Membership		212,578	-	212,578	129,488
Miscellaneous		2,072	-	2,072	-
Governance costs	8	31,516	-	31,516	37,082
Total resources expended		399,082	-	399,082	452,137
NET INCOMING/(OUTGOING) RESOURCES					
		(59,114)	33	(59,081)	23,565
Other recognised gains/losses					
Gains/losses on investment assets		-	185	185	31
Net movement in funds		(59,114)	218	(58,896)	23,596
RECONCILIATION OF FUNDS					
Total funds brought forward		675,311	4,029	679,340	655,744
TOTAL FUNDS CARRIED FORWARD		616,197	4,247	620,444	679,340

The notes form part of these financial statements

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

**BALANCE SHEET
AT 31 DECEMBER 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	12	180,250	200,392
Investments	13	917	732
		<u>181,167</u>	<u>201,124</u>
CURRENT ASSETS			
Stocks		3,301	3,897
Debtors amounts falling due within one year	14	124,827	57,153
Cash at bank		407,278	478,507
		<u>535,406</u>	<u>539,557</u>
CREDITORS			
Amounts falling due within one year	15	(96,129)	(61,341)
		<u>439,277</u>	<u>478,216</u>
NET CURRENT ASSETS			
		<u>439,277</u>	<u>478,216</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		620,444	679,340
NET ASSETS		<u>620,444</u>	<u>679,340</u>
FUNDS	18		
Unrestricted funds		616,197	675,311
Restricted funds		4,247	4,029
TOTAL FUNDS		<u>620,444</u>	<u>679,340</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 March 2012 and were signed on its behalf by

P Kingsmore -Trustee

The notes form part of these financial statements

**THE INSTITUTE OF HEALTHCARE ENGINEERING
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 pa 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 31 DECEMBER 2011**

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. INVESTMENT INCOME

	2011 £	2010 £
Investment income	33	33
Deposit interest	1,992	1,520
	<u>2,025</u>	<u>1,553</u>

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

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2011 £	2010 £
Seminars	32,230	62,950
Conferences	78,864	197,233
Publications	2,130	2,125
Subscriptions and entrance fees	217,202	207,619
Miscellaneous income	7,550	4,222
	<u>337,976</u>	<u>474,149</u>

**THE INSTITUTE OF HEALTHCARE ENGINEERING
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. COSTS OF GENERATING VOLUNTARY INCOME

	2011 £	2010 £
Membership recruitment	12,099	10,969

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6) £	Support costs (See note 7) £	Totals £
Seminars	11,378	31,571	42,949
Conferences	17,706	78,931	96,637
Publications	1,231	-	1,231
Membership	10,519	202,059	212,578
Miscellaneous	2,072	-	2,072
	<u>42,906</u>	<u>312,561</u>	<u>355,467</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2011 £	2010 £
Branch Technical visit	9,666	-
Seminar costs	11,378	30,695
Conference costs	17,706	82,617
Publication costs	1,231	1,246
Members support costs	271	593
Awards	582	1,116
IFHE Subscription	2,072	2,034
	<u>42,906</u>	<u>118,301</u>

7. SUPPORT COSTS

	Management £
Seminars	31,571
Conferences	78,931
Membership	202,059
	<u>312,561</u>

Activity **Basis of allocation**
Management Time

Support costs, included in the above, are as follows

**THE INSTITUTE OF HEALTHCARE ENGINEERING
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2011**

7. SUPPORT COSTS - continued

Management

	Seminars	Conferences	Membership	2011 Total activities	2010 Total activities
	£	£	£	£	£
Wages	17,223	43,057	110,227	170,507	165,355
Social security	1,557	3,892	9,963	15,412	16,228
Pensions	861	2,153	5,511	8,525	11,957
Office costs	5,481	13,705	35,084	54,270	52,151
Meeting costs	1,864	4,662	11,934	18,460	14,656
Legal and professional fees	1,354	3,384	8,663	13,401	5,086
Irrecoverable VAT	865	2,161	5,532	8,558	6,304
Depreciation of tangible and heritage assets	2,366	5,917	15,145	23,428	14,048
	<u>31,571</u>	<u>78,931</u>	<u>202,059</u>	<u>312,561</u>	<u>285,785</u>

8. GOVERNANCE COSTS

	2011 £	2010 £
Legal fees	600	6,353
Cost of Council meetings	23,856	25,704
Auditors' remuneration	7,060	5,025
	<u>31,516</u>	<u>37,082</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2011 £	2010 £
Auditors' remuneration	7,060	5,025
Depreciation - owned assets	23,428	14,049
Auditors' remuneration - Non audit	<u>2,660</u>	<u>2,645</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2011 nor for the year ended 31 December 2010

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 (2010 13) the total reimbursed was £11,059 (2010 £14,250)

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11. STAFF COSTS

	2011 £	2010 £
Wages and salaries	170,507	165,355
Social security costs	15,412	16,228
Other pension costs	8,525	11,957
	<u>194,444</u>	<u>193,540</u>

No employee had emoluments in excess of £60,000

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
COST				
At 1 January 2011	135,000	24,001	108,757	267,758
Additions	-	-	3,286	3,286
	<u>135,000</u>	<u>24,001</u>	<u>112,043</u>	<u>271,044</u>
At 31 December 2011	<u>135,000</u>	<u>24,001</u>	<u>112,043</u>	<u>271,044</u>
DEPRECIATION				
At 1 January 2011	13,500	8,254	45,612	67,366
Charge for year	1,350	1,575	20,503	23,428
	<u>14,850</u>	<u>9,829</u>	<u>66,115</u>	<u>90,794</u>
At 31 December 2011	<u>14,850</u>	<u>9,829</u>	<u>66,115</u>	<u>90,794</u>
NET BOOK VALUE				
At 31 December 2011	<u>120,150</u>	<u>14,172</u>	<u>45,928</u>	<u>180,250</u>
At 31 December 2010	<u>121,500</u>	<u>15,747</u>	<u>63,145</u>	<u>200,392</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 (2010 - £149,598)

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

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2011	732
Revaluations	185
	<u>917</u>
At 31 December 2011	<u>917</u>
NET BOOK VALUE	
At 31 December 2011	<u>917</u>
At 31 December 2010	<u>732</u>

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13. FIXED ASSET INVESTMENTS - continued

Analysis of investments by type

	2011 £	2010 £
Equities	-	-
Fixed interest securities	917	732
Cash held within the investment portfolio	-	-
	<u>917</u>	<u>732</u>

Geographical analysis of investments

	2011 £	2010 £
Held inside the United Kingdom	917	732
Held outside the United Kingdom	-	-
	<u>917</u>	<u>732</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>917</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	82,345	-
Other debtors	42,482	57,153
	<u>124,827</u>	<u>57,153</u>

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15. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	36,439	24,153
Social security and other taxes	16,572	19,765
Deferred income	36,753	9,758
Accrued expenses	6,365	7,665
	<u>96,129</u>	<u>61,341</u>
	2011 £	2010 £
Brought forward	9,758	15,462
Amount released to incoming resources	(9,758)	(15,462)
Amount deferred in year	<u>36,753</u>	<u>9,758</u>
Carried forward	<u>36,753</u>	<u>9,758</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 £8,525 (2010 £11,957). 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 2011.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
Fixed assets	180,250	-	180,250	200,392
Investments	-	917	917	732
Current assets	532,076	3,330	535,406	539,557
Current liabilities	<u>(96,129)</u>	<u>-</u>	<u>(96,129)</u>	<u>(61,341)</u>
	<u>616,197</u>	<u>4,247</u>	<u>620,444</u>	<u>679,340</u>

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18 MOVEMENT IN FUNDS

	At 1 1 11 £	Net movement in funds £	At 31 12 11 £
Unrestricted funds			
General fund	675,311	(59,114)	616,197
Restricted funds			
Northcroft Silver Medal Award Fund	951	218	1,169
Lucas Scholarship Fund	3,078	-	3,078
	<u>4,029</u>	<u>218</u>	<u>4,247</u>
TOTAL FUNDS	<u><u>679,340</u></u>	<u><u>(58,896)</u></u>	<u><u>620,444</u></u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	339,968	(399,082)	-	(59,114)
Restricted funds				
Northcroft Silver Medal Award Fund	33	-	185	218
TOTAL FUNDS	<u><u>340,001</u></u>	<u><u>(399,082)</u></u>	<u><u>185</u></u>	<u><u>(58,896)</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.