

**THE INSTITUTE OF HEALTHCARE ENGINEERING  
AND ESTATE MANAGEMENT  
( "the Institute" )**

**REPORT AND FINANCIAL STATEMENT  
31 DECEMBER 1997**

**Notice of Annual General Meeting**

NOTICE IS HEREBY GIVEN that the 31st ANNUAL GENERAL MEETING of the Institute will be held in the Edinburgh International Conference Centre, Edinburgh on Tuesday 16 June 1998 at 1200 to transact the following business:

1. To receive and consider the Report of Council and the audited Finance Statements for the year ended 31 December 1997.
2. To approve the Elections to Council.
3. To appoint Auditors and authorise Council to fix their remuneration.
4. To transact any other ordinary business of the Institute.

By Order of the  
Council

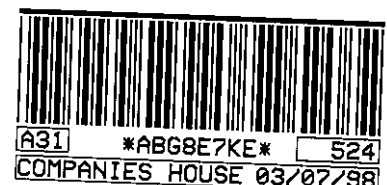
W R PYM

Secretary

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

10 March 1998

Note: It is provided by Regulation 58 of the Articles of Association of the Institute that no member may vote by proxy.



## **REPORT OF COUNCIL**

Council have pleasure in submitting the audited financial statements and report of activities for the year ended 31 December 1997.

### **Finance**

Changes in the accounting regulations for charities have resulted in the replacement of the income and expenditure account by the Statement of Financial Activity, the splitting of the funds into Restricted and Unrestricted funds, and additional supporting information.

The accounts show a surplus of £34,775 and an increase in the fund balance to £210,733 at the year end, 31 December 1997.

The outcome resulted from a successful seminar programme and conference, reduced Journal expenditure and reduced administrative costs.

### **Conference**

The 1997 Conference at the Cedar Court Hotel, Wakefield attracted 91 delegates, returning to the numbers seen in 1995. The technical sessions included:

#### **The Estate**

SARTOR  
A Legal View of PFI  
How to make PFI work  
The Real World of PFI  
Latham and Levene  
JCT Contracts  
Lessons of Design and Build  
Estate Management in Universities

#### **Engineering**

Benchmarking  
HTM 2022  
Diagnostic Imaging Equipment  
Sterilization in the Community  
Ventilation in Orthopaedic Operating Theatres  
Firecode Audits  
Fire Engineering  
CHP - Co-generation Balanced View

Much of the success of the Conference was due to the Speakers and Session Chairmen who all maintained the high standards expected from demanding audiences. The assistance from the Yorkshire Branch was appreciated.

## **Seminars**

Eleven seminars were held during the year covering:

Air Conditioning & Ventilation	-	London, Stirling
Effective Waste Management	-	Solihull, Leeds
Developments in Legionella Control	-	London, Solihull, Stirling
Authorised Person (Med Gas) course	-	London
Cost Effective Management of Risk	-	London
Clinical Waste Management	-	Stirling
MRI Scanners	-	London

Although the number of seminars run was similar to 1996, attendance was much improved.

Branches continue to run successful lunchtime seminars and evening sessions.

## **Engineering Council**

SARTOR was published during the year and the new regulations for registration as a Chartered Engineer, Incorporated Engineer and Engineering Technician will begin implementation in 1999, completing in 2007.

Institute activities associated with the Engineering Council included CPD, NVQs, Nominations and Compliance, the Joint Accreditation Panel and the contribution of papers to a "virtual conference" on the Internet.

1997 saw the establishment of the regional Professional Engineering Institutions (PEIs) which have replaced the Engineering Council Regional Organisations (ECRO). The Branches have been involved in extra work in setting up and taking part in the PEIs.

## **Prizes**

The 1997 winner of both the Northcroft Silver Medal and the John Bolton Memorial Prize was Mr E McLaughlan for his paper entitled "Reducing the Environmental Impact of Clinical Waste".

## **Journal**

Journal costs were kept under control and the revenue increased resulting in a very satisfactory outcome. Towards the end of the year the Journal increased to 40 pages, more colour was used and some changes in style were incorporated. More articles by members would be welcome and guidance for potential authors is available.

## **Branches**

Branch Committees continued their hard work running Branch meetings, lunchtime/evening seminars, providing interview panels for new members and Engineering Council registrants, and recruiting new members. Members of the Scottish Branch who formed the Congress Technical Committee processed over 100 paper outline submissions.

### **The Engineering Group and the Architecture Group**

The Healthcare Engineering Advisory Group (HEAG) functioned well during the year and in April established a contract with NHS Estates and the territorial Home Departments to provide technical comment on the publications produced by NHS Estates. Some research projects were submitted by HEAG for central funding. The work is organised by a part-time Technical Co-ordinator, employed by IHEEM. It is hoped that the contract will be renewed in April 1998.

The Health Service Architects Group applied to join the Institute and was incorporated as the Healthcare Architecture Advisory Group (HAAG) in April 1997. HAAG is established on similar lines to HEAG and in working alongside their engineering counterparts, the Institute is able to make a comprehensive contribution to NHS Estates.

## **IFHE**

At the meeting of the IFHE Council in May 1997, Mr L G Hadley OBE was nominated as Vice President and he will take over as President in June 1998.

Preparations for the 1998 International Conference continued throughout the year which saw the distribution of the Second Announcement, scrutiny of the outline paper submissions and draft production of the provisional programme.

### **Authorised Persons (Sterilizers)**

The Institute successfully ran the first training course for aspirant AP(S) at Falfield during the Autumn. Twelve students attended the course which received good course critiques. Registration and five yearly re-registration procedures were put in place. In 1997 there were 26 Registered AP(S) and another three have been recently registered.

## **Elections to Council**

The following will retire at the Annual General Meeting on 16 June 1998:

V E Jones	Area Member	North East & Yorkshire
W P Lawrence	Area Member	London
G W M Leahy	Area Member	Northern Ireland
R J Chatwin	Nominated Member	

G W M Leahy is eligible for re-election as Area Member but R J Chatwin, V E Jones and W P Lawrence are not eligible for re-election in their current category. K B Worsell, Area Member North West, retired from Council in January 1998.

The following are the sole nominees in their respective categories:

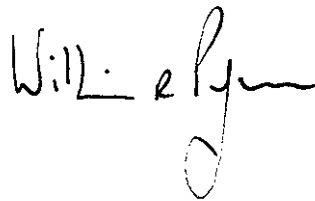
G W M Leahy	Area Member	Northern Ireland
S D Palmer	Area Member	North West
D Svenson	Area Member	London
J I Cook	Nominated Member	

The Area Member for the North East and Yorkshire is the subject of a ballot, the result of which will be announced at the AGM.

## **Auditors**

The Institute's auditors, Moore Stephens, are willing to continue in office. A resolution for their re-appointment and authorising Council to fix their remuneration will be submitted at the Annual General Meeting.

By Order of the  
Council



W R P Y M

Secretary

10 March 1998

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

**REPORT AND FINANCIAL STATEMENTS**

**31st DECEMBER 1997**

**The Institute of Healthcare Engineering and  
Estate Management  
Council Members Report**

**1. Legal and Administrative Information**

**(a) Name and nature of charity**

The full name of the charity is "The Institute of Healthcare Engineering and Estate Management" (IHEEM), known until 1st January 1996 as the Institute of Hospital Engineering. It is a company limited by guarantee (company number 895080) which was incorporated in 1967 and is registered with the Charity Commissioners (registration number: 257133).

**(b) Members of Council**

**President:** R.H. Browne Esq BSc MSc CEng MIMechE MIEE FIHEEM

**Members:** C. Astley Esq CEng MIMechE MCIBSE FIHEEM MIM  
R.P. Boyce Esq CEng FIMechE FIHEEM  
M.J. Carter Esq CEng FCIBSE FIHEEM  
R.J. Chatwin Esq CEng MIMechE MCIBSE CIHEEM MIM  
D. Griffiths Esq BA CEng MIMechE FIHEEM  
V.E. Jones Esq IEng MIPlantE FIHEEM  
W.P. Lawrence Esq IEng FIPlantE FIHEEM MIM  
G.W.M. Leahy Esq BSc CEng MIMechE MIHEEM  
A.D. Lithgow Esq BSc CEng MIMechE MIHEEM  
G. Marsh Esq MSc IEng ACIBSE FIHEEM  
W.A. Mosedale Esq IEng MCIBSE FIHEEM  
R.E. Nugent Esq DipArch RIBA ACI Arb IHSM FIHEEM  
R.J. Sear Esq BSc CEng MCIBSE FIHEEM  
J.T.G. Webster Esq IEng FIHEEM  
D.J. Wicks Esq IEng FIHEEM

**Secretary:** W.R. Pym

**(c) Principal address** 2 Abingdon House  
Cumberland Business Centre  
Northumberland Road  
Portsmouth PO5 1DS

**Auditors:** Moore Stephens  
St. Paul's House  
Warwick Lane  
London EC4P 4BN

**Bankers:** Barclays Bank Plc  
Edgware Road W2 Branch  
127 Edgware Road  
London W2 2HT

**Solicitors:** Stephenson Harwood  
One St Paul's Churchyard  
London EC4M 8SH

**The Institute of Healthcare Engineering and  
Estate Management**

## **2. Objectives and Organisation**

The Institute is a professional body and learned society serving the interests of those involved in and with responsibility for Estate Management, including the design, procurement and maintenance of healthcare facilities and equipment.

### **Mission**

The Institute is established for the public benefit to promote the art and science of Healthcare Engineering and Estate Management and to advance research (including publication of useful results), education and training.

### **Organisation of the Institute**

The Governing Body of the Institute is the Council which consists of democratically elected members within three distinct categories for a term of three years. The Council is supported by six subordinate committees who manage the Institute's activities in Finance, Education, Membership, Journal, Technical and International Affairs. Additionally the Institute has three specialist groups who make technical contributions to the Department of Health in the areas of engineering, architecture and sterilization. The Institute has fourteen Branches covering the UK and Republic of Ireland. The Secretarial and administrative requirements are provided by a small staff from leased premises in Portsmouth, Hampshire.

## **3. Review of the Period**

Seminar and Conference activity for 1997 was particularly encouraging which together with improved revenue for the Journal combined to result in a sound financial outcome for the year. The Healthcare Architects Advisory Group (HAAG) became a part of the Institute under a similar arrangement to that provided for the Healthcare Engineering Advisory Group (HEAG). HEAG made a significant technical contribution to NHS Estates under contract since 1st April 1997 and HAAG will be in a position to add their specialist advice in the near future. The first Authorised Persons (Sterilizers) training course was successfully run in the Autumn and procedures for Registration were agreed. The Institute continued to take a positive role in the activities of the Engineering Council and the new SARTOR was published in September 1997. The Engineering Council will be conducting the Institute's five yearly Audit for Re-Nomination during 1998. L.G. Hadley, OBE PPIHEEM was elected Vice President of the International Federation of Hospital Engineering (IFHE) and will become President in 1998 just before the Institute host the 15th International Congress on behalf of IFHE.

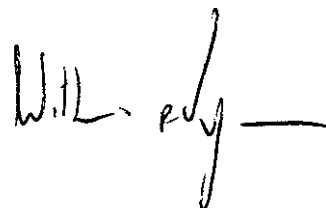
## **4. Review of Financial Activities**

The accounts show a surplus of £34,671 (1996: deficit: £1,876) on the unrestricted funds and a surplus of £71 (1996 £179) on the restricted funds.

By Order of the Council

W.R. PYM

Secretary





**The Institute of Healthcare Engineering and  
Estate Management**

**Statement of Council Members' Responsibilities**

Company law requires the council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net incoming and outgoing resources of the company for that period. In preparing those accounts, the council members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Statement of Recommended Practice "Accounting by Charities". They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Institute of Healthcare Engineering and  
Estate Management**

**Report of the Auditors**

We have audited the financial statements on pages A5 to A11 which have been prepared under the historical cost convention and the accounting policies set out on page A7.

**Respective Responsibilities of the Council Members and Auditors**

As described on page A3 the council members are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards 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 board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

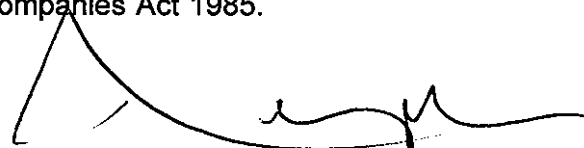
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,  
London, EC4P 4BN

*10. March 1998*



MOORE STEPHENS

Registered Auditor  
Chartered Accountants

**The Institute of Healthcare Engineering and  
Estate Management**

**Statement of Financial Activity  
For the year ended 31st December 1997**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 1997</u>	<u>Total 1996</u>
		£	£	£	£
<b>Incoming Resources</b>					
Subscriptions and entrance fees		127,796	-	127,796	120,337
Interest		6,310	33	6,343	3,726
Seminars, conferences and journals	2	185,566	-	185,566	117,557
Other income		-	-	-	997
<b>Total Incoming Resources</b>		£ 319,672	£ 33	£ 319,705	£ 242,617
<b>Resources Expended</b>					
Direct charitable expenditure					
Seminars, conferences and journal costs	2	151,039	-	151,039	114,235
Management and administration	3	133,962	-	133,962	130,258
<b>Total Resources Expended</b>		285,001	-	285,001	244,493
<b>Net Incoming/ (Outgoing) Resources</b>		34,671	33	34,704	(1,876)
Unrealised gain on investment assets		-	71	71	179
<b>Net Movement in Funds</b>		34,671	104	34,775	(1,697)
Fund balances brought forward at 1st January 1997		172,330	3,628	175,958	177,655
<b>Fund Balances Carried Forward at 31st December 1997</b>		£ 207,001	£ 3,732	£ 210,733	£ 175,958

**The Institute of Healthcare Engineering and  
Estate Management**

**Balance Sheet - 31st December 1997**

	<u>Note</u>	<u>1997</u>	<u>1996</u>
<b>Fixed Assets</b>			
Tangible assets	6	149,599	149,599
Investments	7	500	429
		<hr/>	<hr/>
		150,099	150,028
<b>Current Assets</b>			
Stocks	8	1,115	2,970
Debtors	9	36,869	26,556
Bank balances		83,425	47,810
		<hr/>	<hr/>
		121,409	77,336
<b>Creditors, amounts falling due within one year</b>	10	21,299	10,369
		<hr/>	<hr/>
<b>Net Current Assets</b>		100,110	66,967
		<hr/>	<hr/>
		250,209	216,995
<b>Creditors, amounts falling due after more than one year</b>	11	(39,476)	(41,037)
		<hr/>	<hr/>
<b>Total Assets</b>		£ 210,733	£ 175,958
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds</b>			
Restricted funds	12 and 13	3,732	3,628
Unrestricted funds	13	207,001	172,330
		<hr/>	<hr/>
		£ 210,733	£ 175,958
		<hr/> <hr/>	<hr/> <hr/>

Approved by Council on 10th March 1998 and signed on its behalf by

R.H. BROWNE President



**The Institute of Healthcare Engineering and  
Estate Management**

**Financial Statements for the year ended 31st December 1997**

**Notes**

**1. Accounting Policies**

- (a) These accounts are prepared in accordance with applicable Accounting Standards and the Statement of Recommended Practice "Accounting by Charities".
- (b) Income from subscriptions and entrance fees is only brought into account when received.
- (c) Additions and replacements of furniture and equipment are written off in the year of acquisition.
- (d) Leasehold property with unexpired periods of more than 50 years is not depreciated.
- (e) Stock is valued at the lower of cost and net realisable value.
- (f) Fixed asset investments are shown at market value.

**2. Seminars, Conferences and Journals**

Incoming Resources

	<u>1997</u>	<u>1996</u>
Seminars	42,731	30,236
Conferences	18,846	11,555
Journals	77,092	69,703
Books	7,597	6,063
Sterilizer course	28,800	-
HEAG	10,500	-
	<hr/>	<hr/>
£	185,566	£ 117,557
	<hr/>	<hr/>

Resources Expended

	<u>1997</u>	<u>1996</u>
Seminars	16,475	18,170
Conferences	12,782	13,341
Journals	82,048	80,260
Books	5,975	2,464
Sterilizer course	28,546	-
HEAG	5,213	-
	<hr/>	<hr/>
£	151,039	£ 114,235
	<hr/>	<hr/>

**The Institute of Healthcare Engineering and  
Estate Management**

**Financial Statements for the year ended 31st December 1997**

**Notes (Continued)**

**3. Management and Administration**

	<u>1997</u>	<u>1996</u>
Wages and salaries	77,459	65,077
Audit fees	4,500	4,500
Bank loan interest	3,955	3,898
Legal and professional	-	2,580
Costs of council and other meetings	17,499	23,107
Office costs	30,549	31,096
	<hr/>	<hr/>
	£ 133,962	£ 130,258
	<hr/>	<hr/>

**4. Employees and Staff Costs**

	<u>1997</u>	<u>1996</u>
Salaries and wages	67,397	55,645
Social security costs	6,169	5,786
Other pension costs	3,893	3,646
	<hr/>	<hr/>
	£ 77,459	£ 65,077
	<hr/>	<hr/>
The average number of persons employed by the Institute during the year was	4	4
	<hr/>	<hr/>

No emoluments are payable to any member of the Council.

No employee is paid at or above £40,000 a year.

The Institute operates a defined contribution money purchase pension scheme for certain employees. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable by the Institute to the fund and amounted to £3,893 (1996: £3,646).

Council members are reimbursed actual costs necessarily incurred in attending to the charity's business at Council meetings.

**The Institute of Healthcare Engineering and  
Estate Management**

**Financial Statements for the year ended 31st December 1997**

**Notes (Continued)**

**5. Interest Payable**

	<u>1997</u>	<u>1996</u>
On bank loan repayable over twenty years by instalments	£ 3,955	£ 3,898
	<u>          </u>	<u>          </u>

**6. Fixed Assets**

	<u>Long Leasehold Property</u>	<u>Office Equipment</u>	<u>Total</u>
Cost			
At 1st January 1997 and 31st December 1997	£ 149,598	£ 633	£ 150,231
	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation			
At 1st January 1997 and 31st December 1997	£ -	£ 632	£ 632
	<u>          </u>	<u>          </u>	<u>          </u>
Net book value			
31st December 1997	£ 149,598	£ 1	£ 149,599
	<u>          </u>	<u>          </u>	<u>          </u>
31st December 1996	£ 149,598	£ 1	£ 149,599
	<u>          </u>	<u>          </u>	<u>          </u>

**7. Fixed Asset Investments**

	<u>1997</u>	<u>1996</u>
Quoted investment at market value	£ 500	£ 429
	<u>          </u>	<u>          </u>
Market value at 1st January 1997	429	250
Unrealised investment gain	71	179
	<u>          </u>	<u>          </u>
Market value at 31st December 1997	£ 500	£ 429
	<u>          </u>	<u>          </u>

**The Institute of Healthcare Engineering and  
Estate Management**

**Financial Statements for the year ended 31st December 1997**

**Notes (Continued)**

**8. Stocks**

Stocks comprise stationery, booklets, jewels, silver medals, ties etc. and are valued at the lower of cost and net realisable value.

**9. Debtors**

	<u>1997</u>	<u>1996</u>
Trade debtors	15,359	16,642
Other debtors	17,083	6,357
Prepayments and accrued income	4,427	3,557
	<hr/>	<hr/>
	£ 36,869	£ 26,556
	<hr/>	<hr/>

Other debtors includes £11,019 which relate to expenses incurred for the 1998 congress. These will be written off against income from that source.

**10. Creditors, amounts falling due within one year**

	<u>1997</u>	<u>1996</u>
Bank loan	1,560	1,709
Trade creditors	1,203	219
Other creditors	2,468	2,669
Accruals and deferred income	16,068	5,772
	<hr/>	<hr/>
	£ 21,299	£ 10,369
	<hr/>	<hr/>

**11. Creditor, amounts falling due after more than one year**

	<u>1997</u>	<u>1996</u>
<b>Bank Loan</b>		
Amounts repayable		
Between one and two years	1,717	1,560
Between two and five years	6,250	5,682
	<hr/>	<hr/>
	7,967	7,242
	<hr/>	<hr/>
In five years or more	31,509	33,795
	<hr/>	<hr/>
	39,476	41,037
	<hr/>	<hr/>



**The Institute of Healthcare Engineering and  
Estate Management**

**Financial Statements for the year ended 31st December 1997**

**Notes (Continued)**

**11. Creditors, amounts falling due  
after more than one year (Continued)**

The bank loan is secured on the leasehold land and buildings is repayable over twenty years and bears interest at 3% over base rate.

**12. Restricted Funds**

	Balance 1st January 1997	Movement in Resources Incoming	Movement in Resources Outgoing	Balance 31st December 1997
	£	£	£	£
Northcroft Silver Medal Award Fund	550	104	-	654
Lucas scholarship fund	3,078	-	-	3,078
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 3,628	£ 104	£ -	£ 3,732
	<hr/>	<hr/>	<hr/>	<hr/>

The income from the Award fund is restricted to the purchase of silver medals.

The scholarship fund is used for the provision of grants towards members' conferences expenses.

**13. Analysis of Net Assets between Funds**

	Tangible Fixed Assets	Investments	Net Current Assets	Total
<b>Restricted Funds</b>				
Northcroft Silver Medal award fund	-	500	154	654
Lucas Scholarship Fund	-	-	3,078	3,078
	<hr/>	<hr/>	<hr/>	<hr/>
	-	500	3,232	3,732
<b>Unrestricted Funds</b>	149,599	-	57,402	207,001
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 149,599	£ 500	£ 60,634	£ 210,733
	<hr/>	<hr/>	<hr/>	<hr/>