

895080

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

**REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1998**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 32nd ANNUAL GENERAL MEETING of the Institute will be held at the Institute of Physics, 76-78 Portland Place, London W1N 4AA on Thursday 20 May 1999 at 1215 to transact the following business:

1. To receive and consider the Report of Council and the audited Financial Statements for the year ended 31 December 1998.
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.

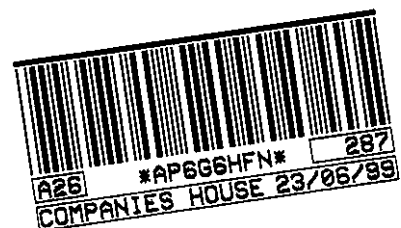
By Order of the Council

Will. R. Pye
W R PYM
Secretary

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

9 March 1999

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 1998.

Finance

The accounts show a surplus of £40,371 and an increase in the fund balance to £251,104 at the year end, 31 December 1998. The outcome resulted from a successful international congress and seminar programme.

International Congress

The 15th International Federation of Hospital Engineering Congress was organised and run by IHEEM at the Edinburgh International Conference Centre. The Congress attracted 350 delegates from 30 countries and 52 technical papers were presented in plenary and concurrent sessions. The City of Edinburgh, the Conference Centre and an interesting social programme for delegates and partners all complemented a successful technical programme. The hard work of the Scottish Branch in supporting the Congress, particularly by the Papers Committee, was much appreciated.

Seminars

Seven seminars were held during the year covering:

Washer Disinfectors	- London, Solihull, Wakefield
Legionella	- North Tees, Derby
Sterilization	- Dublin
Fire	- London

Prizes

The 1998 winner of the Northcroft Silver Medal was a joint paper entitled "The Disposal of Healthcare Risk/Clinical Waste in the Island of Ireland" by G McConkey and T Gallagher. In a shared award, the winners of the John Bolton Memorial Prize were A Hambidge for his paper entitled "Audit Helps Health & Safety Systems Development" and D Kerr for his paper "AP(S) Training and Registration".

Engineering Council

Institute activities associated with the Engineering Council continued at a reasonably high level throughout the year and included CPD, NVQs, Nominations and Compliance and the Joint Accreditation Panel.

The Engineering Council conducted its 5 yearly audit of the Institute in September. The outcome was successful and IHEEM was re-nominated for a further 5 years. Hitherto IHEEM was obliged to cooperate with another large institution for the registration of Chartered Engineers but as a result of the audit that restriction has been waived. Routine registrations are now conducted by IHEEM independently at all three grades; complex registration issues will continue to be subjected to cooperation with one of the large institutes.

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. The regional Professional Engineering Institutions, involving IHEEM at Branch level, undertook a number of satisfactory Joint Ventures. Activity is not uniform throughout UK.

IHEEM is pleased to report that the Hong Kong Branch was formed in September 1998.

Journal

The decision to retain 40 pages and the increased use of colour throughout 1998 inevitably led to higher Journal costs than that seen in previous years. More articles by members would be welcome and guidance for potential authors is available.

The Engineering Group and the Architecture Group

The Healthcare Engineering Advisory Group (HEAG) and the Healthcare Architecture Advisory Group (HAAG), both supported by the Technical Coordinator, continued to operate throughout the year. Although the contract with NHS Estates and the territorial Home Departments was not renewed in April, a limited amount of technical support was supplied to NHS Estates.

IFHE

The International Federation of Hospital Engineering held its Council meeting in Edinburgh in June during the International Congress. Mr L G Hadley OBE, an IHEEM Past President, was elected IFHE President; his tenure is until Autumn 2000.

Authorised Persons (Sterilizers)

Following qualification at the first AP(S) training course, five new AP(S) have been successfully registered bringing the numbers of registered AP(S) to 31. During the year the procedures for registration of existing AP(S) were developed. Preparations for the second AP(S) training course, to be run early in 1999, were made.

Annual Conference

Following collaborative talks, agreement was reached in principle by NHS Estates and IHEEM to run a joint conference and exhibition. A number of joint meetings have been held beginning the detailed planning. NHS Estates and the Institute hope for a successful Conference in September 1999.

Elections to Council

The following will retire at the Annual General Meeting on 20 May 1999:

D Griffiths	Area Member	Wales
W A Mosedale	Area Member	East Midlands & East Anglia
S D Palmer	Area Member	North West
R J Chatwin	General Member	Appointed a vacancy
D J Wicks	General Member	IEng/EngTech

D Griffiths, S D Palmer and D J Wicks are eligible for re-election in their respective categories. R J Chatwin and W A Mosedale are not eligible for re-election in their current category.

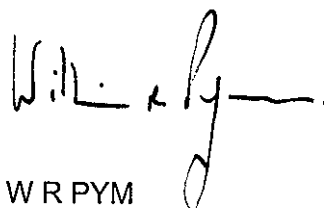
The following are the sole nominees in their respective categories:

S Clark	Area Member	East Midlands & East Anglia
D Griffiths	Area Member	Wales
S D Palmer	Area Member	North West
W A Mosedale	Nominated Member	IEng/EngTech

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 PYM
Secretary

9 March 1999

**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). 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: L.W.M. Arrowsmith Esq BSc(Hons)CEngFIMechE FIHEEM

Members: C. Astley Esq CEng FIMechE MCIBSE FIHEEM
 R.P. Boyce Esq CEng FIMechE FIHEEM
 M.J. Carter Esq CEng FCIBSE FIHEEM
 R.J. Chatwin Esq CEng MIMechE FCIBSE CIHEEM
 J.I. Cook Esq BSc CEng MIEE FIHEEM
 D. Griffiths Esq BA CEng MIMechE FIHEEM
 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 ACIARB IHSM FIHEEM
 S.D. Palmer Esq JP IEng FIHEEM
 R.J. Sear Esq BSc CEng MCIBSE FIHEEM
 D. Svenson Esq BSc CEng MIHEEM CDipAF
 J. Swinhoe Esq MBA MIHEEM
 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. Mission

The Institute 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 Institute is established for the public benefit to promote the art and science of Healthcare Engineering and Estate Management and to advance research education and training.

3. 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 fifteen Branches covering the UK, the Republic of Ireland, The Middle East and Hong Kong. The Secretarial and administrative requirements are provided by a small staff from leased premises in Portsmouth, Hampshire.

4. Review of the Period

Seminar activity for 1998 and a very successful International Congress resulted in a sound financial outcome for the year. The Engineering Council audited the Institute in September which resulted in re-nomination for a further five years in all three sections of the Register. The Healthcare Engineering Advisory Group and the Healthcare Architecture Advisory Group continued to operate throughout the year and made contributions to NHS Estates. Procedures for the re-registration of Authorised Persons (Sterilizers) were established and a total of five new AP(S) have been registered after passing the training course. L.G. Hadley OBE PPIHEEM was elected as President of the International Federation of Hospital Engineering in June.

5. Year 2000

The members of the council are continuing to review the risks associated with the Year 2000 problem, both with regard to internal use of computer systems and embedded chips and in connection with relationships with third parties. They are satisfied that these steps will be completed in sufficient time to eliminate any potential problems. The total costs of ensuring Year 2000 compliance and upgrading of information systems are expected to be in the region of £12,000.

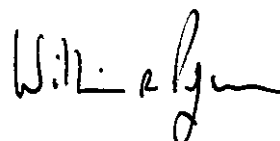
6. Review of Financial Activities

The accounts show a surplus of £40,107 (1997: surplus: £34,671) on the unrestricted funds and a surplus of £264 (1997 £104) 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 1998 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

9: March 1999



MOORE STEPHENS

Registered Auditor
Chartered Accountants

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

**Statement of Financial Activity
For the year ended 31st December 1998**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 1998</u>	<u>Total 1997</u>
		£	£	£	£
Incoming Resources					
Subscriptions and entrance fees		134,406	-	134,406	128,262
Interest		8,431	33	8,464	6,343
Seminars, conferences and journals	2	237,232	-	237,232	185,566
Total Incoming Resources		£ 380,069	£ 33	£ 380,102	£ 320,171
Resources Expended					
Direct charitable expenditure					
Seminars, conferences and journal costs	2	200,414	-	200,414	151,039
Management and administration	3	139,548	-	139,548	134,428
Total Resources Expended		339,962	-	339,962	285,467
Net Incoming Resources		40,107	33	40,140	34,704
Unrealised gain on investment assets		-	231	231	71
Net Movement in Funds		40,107	264	40,371	34,775
Fund balances brought forward at 1st January 1998		207,001	3,732	210,733	175,958
Fund Balances Carried Forward at 31st December 1998		£ 247,108	£ 3,996	£ 251,104	£ 210,733


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

Balance Sheet - 31st December 1998

	Note	1998	1997
Fixed Assets			
Tangible assets	6	149,599	149,599
Investments	7	731	500
		<hr/>	<hr/>
		150,330	150,099
Current Assets			
Stocks	8	3,135	1,115
Debtors	9	11,722	36,869
Bank balances		137,452	83,425
		<hr/>	<hr/>
Creditors, amounts falling due within one year		152,309	121,409
	10	13,762	21,299
		<hr/>	<hr/>
Net Current Assets		138,547	100,110
		<hr/>	<hr/>
Creditors, amounts falling due after more than one year		288,877	250,209
	11	(37,773)	(39,476)
		<hr/>	<hr/>
Total Assets		£ 251,104	£ 210,733
		<hr/>	<hr/>
Funds			
Restricted funds	12 and 13	3,996	3,732
Unrestricted funds	13	247,108	207,001
		<hr/>	<hr/>
		£ 251,104	£ 210,733
		<hr/>	<hr/>

Approved by Council on 9th March 1999
and signed on its behalf by

L.W.M. ARROWSMITH President

 9th March 1999

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

Financial Statements for the year ended 31st December 1998

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>1998</u>	<u>1997</u>
1998 Congress	108,874	-
Seminars	37,881	42,731
Conferences	-	18,846
Journals	76,831	77,092
Books	6,146	7,597
Sterilizer course	-	28,800
HEAG	7,500	10,500
	<hr/>	<hr/>
	£ 237,232	£ 185,566
	<hr/>	<hr/>

Resources Expended

	<u>1998</u>	<u>1997</u>
1998 Congress	79,449	-
Seminars	24,100	16,475
Conferences	-	12,782
Journals	88,926	82,048
Books	2,061	5,975
Sterilizer course	-	28,546
HEAG	5,878	5,213
	<hr/>	<hr/>
	£ 200,414	£ 151,039
	<hr/>	<hr/>

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

Financial Statements for the year ended 31st December 1998

Notes (Continued)

3. Management and Administration

	<u>1998</u>	<u>1997</u>
Wages and salaries	76,026	77,459
Audit fees	4,500	4,500
Bank loan interest	4,115	3,955
Legal and professional	641	-
Costs of council and other meetings	21,296	17,499
Office costs	32,970	31,015
	<hr/>	<hr/>
	£ 139,548	£ 134,428
	<hr/>	<hr/>

4. Employees and Staff Costs

	<u>1998</u>	<u>1997</u>
Salaries and wages	66,211	67,397
Social security costs	6,113	6,169
Other pension costs	3,702	3,893
	<hr/>	<hr/>
	£ 76,026	£ 77,459
	<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 £3,702 (1997: £3,893).

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 1998

Notes (Continued)

5. Interest Payable

	<u>1998</u>	<u>1997</u>
On bank loan repayable in excess of five years by instalments	£ 4,115	£ 3,955
	<u> </u>	<u> </u>

6. Fixed Assets

	Long Leasehold <u>Property</u>	Office <u>Equipment</u>	<u>Total</u>
Cost			
At 1st January 1998 and 31st December 1998	£ 149,598	£ 633	£ 150,231
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1st January 1998 and 31st December 1998	£ -	£ 632	£ 632
	<u> </u>	<u> </u>	<u> </u>
Net book value			
31st December 1998	£ 149,598	£ 1	£ 149,599
	<u> </u>	<u> </u>	<u> </u>
31st December 1997	£ 149,598	£ 1	£ 149,599
	<u> </u>	<u> </u>	<u> </u>

7. Fixed Asset Investments

	<u>1998</u>	<u>1997</u>
Quoted investment at market value	£ 731	£ 500
	<u> </u>	<u> </u>
Market value at 1st January 1998	500	429
Unrealised investment gain	231	71
	<u> </u>	<u> </u>
Market value at 31st December 1998	£ 731	£ 500
	<u> </u>	<u> </u>

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

Financial Statements for the year ended 31st December 1998

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>1998</u>	<u>1997</u>
Trade debtors	10,821	15,359
Other debtors	511	17,083
Prepayments and accrued income	390	4,427
	<hr/>	<hr/>
	£ 11,722	£ 36,869
	<hr/>	<hr/>

10. Creditors, amounts falling due within one year

	<u>1998</u>	<u>1997</u>
Bank loan	1,715	1,560
Trade creditors	85	1,203
Other creditors	2,325	2,468
Accruals and deferred income	9,637	16,068
	<hr/>	<hr/>
	£ 13,762	£ 21,299
	<hr/>	<hr/>

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

	<u>1998</u>	<u>1997</u>
Bank Loan		
Amounts repayable		
Between one and two years	1,887	1,717
Between two and five years	6,870	6,250
	<hr/>	<hr/>
	8,757	7,967
	<hr/>	<hr/>
In five years or more	29,016	31,509
	<hr/>	<hr/>
	£ 37,773	£ 39,476
	<hr/>	<hr/>

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

Financial Statements for the year ended 31st December 1998

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 a total period of twenty years and bears interest at 3% over base rate.

12. Restricted Funds

	Balance 1st January <u>1998</u>	Movement in Resources <u>Incoming</u>	Unrealised Gain on <u>Investments</u>	Balance 31st December <u>1997</u>
	£	£	£	£
Northcroft Silver Medal Award Fund	654	33	231	918
Lucas scholarship fund	3,078	-	-	3,078
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 3,732	£ 33	£ 231	£ 3,996
	<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 <u>Assets</u>	<u>Investments</u>	Net Current <u>Assets</u>	<u>Total</u>
Restricted Funds				
Northcroft Silver Medal award fund	-	731	187	918
Lucas Scholarship Fund	-	-	3,078	3,078
	<hr/>	<hr/>	<hr/>	<hr/>
	-	731	3,265	3,996
Unrestricted Funds	149,599	-	97,509	247,108
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 149,599	£ 731	£ 100,774	£ 251,104
	<hr/>	<hr/>	<hr/>	<hr/>