

REGISTERED COMPANY NUMBER: 03716992 (England and Wales)  
REGISTERED CHARITY NUMBER: 1074732

**Report of the Trustees and  
Financial Statements for the Year Ended 31st March 2019  
for**

**The Charles Hastings Education Centre  
(A Company Limited by Guarantee)**



**The Charles Hastings Education Centre**

**Contents of the Financial Statements  
for the Year Ended 31st March 2019**

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**The Charles Hastings Education Centre**

**Reference and Administrative Details  
for the Year Ended 31st March 2019**

<b>TRUSTEES</b>	Mr J Black Mr A G Duncan Dr N Hudson Professor M J Kendall Dr S King Mr S P Lake Dr J M Mather Dr J Quallington (resigned 27.4.18) Mrs C Merrick (resigned 30.4.18) Mr J A Yelland Sir D Nicholson (appointed 14.5.18) Dr C Goldsmith (appointed 20.5.19) Mr R Dudley (appointed 20.5.19)
<b>COMPANY SECRETARY</b>	Mr P J Morris
<b>REGISTERED OFFICE</b>	Worcestershire Royal Hospital Charles Hastings Way Worcester Worcestershire WR5 1DD
<b>REGISTERED COMPANY NUMBER</b>	03716992 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1074732
<b>SENIOR STATUTORY AUDITOR</b>	Robert Iestyn Richards FCA CTA FCCA
<b>INDEPENDENT AUDITORS</b>	The Richards Sandy Partnership Ltd (Statutory Auditor) Thorneloe House 25 Barbourne Road Worcester Worcestershire WR1 1RU
<b>SOLICITORS</b>	Whatley, Weston & Fox 15 & 16 The Tything Worcester WR1 1HD
<b>BANKERS</b>	Lloyds Bank Plc 4 The Cross Worcester WR1 3PY

## **The Charles Hastings Education Centre**

### **Report of the Trustees for the Year Ended 31st March 2019**

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 March 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Principal object and activities for the public benefit**

The principal object of the charity in the year under review was that of a registered charity engaged for the public benefit in the advancement of education in matters relating to medicine and healthcare.

The Trustees confirm that they have complied with the duty in Section 17 (5) of the 2011 Charities Act to have due regard to guidance on public benefit, published by the Charity Commission when reviewing the charity's objectives and planning future activities.

##### **Policy**

To operate The Charles Hastings Education Centre to enable the advancement of education in matters relating to medicine and healthcare.

##### **Objectives of the charity and strategies for achieving them**

The primary objective of the charity is to maintain the infrastructure of the buildings and equipment within the buildings to a standard consistent with a leading educational institution.

The Centre continues to work closely with the local community to improve access to museum collections, to raise awareness of what the museum and other heritage organisations can offer people and to inspire people to learn more about their heritage and the history of medicine.

##### **Review**

Essential building repairs and redecoration were completed and equipment replaced during the year under the annual Life Cycle Maintenance Programme.

The Infirmary Museum, a Heritage Lottery funded joint project with the University of Worcester, continued to be operated and open to the public during the year.

##### **Plans for the Future**

The charity will continue to build financial reserves so that the equipment and facilities can be improved over time. The charity will continue to market the Centre so that any spare capacity can be used to generate income. The Trustees have approved, in principle, the extension of the Centre to accommodate a dedicated space for simulation training. This would be a joint project with the Worcestershire Acute Hospitals NHS Trust. Detailed project plans have yet to be formulated and agreed. The Development Fund would be used as a contribution to the costs of this project.

## **The Charles Hastings Education Centre**

### **Report of the Trustees for the Year Ended 31st March 2019**

#### **FINANCIAL REVIEW**

The charity's unrestricted incoming resources increased to £387,715 (2018 - £301,788). Unrestricted resources expended decreased slightly to £295,406 (2018 - £302,652) and the net unrestricted incoming resources for the year amounted to £92,309 (2018 - net outgoing resources £864).

The Charity prepares an annual budget which is monitored by the trustees. Variances from the budget are acted upon as appropriate. The charity's management accounts are discussed at regular trustee's meetings.

The principal funding sources are the letting of the charity's premises to The Worcestershire Healthcare Education Centre Limited and to the Acute Hospitals Trust.

#### **Reserves Policy**

The charity's policy for the level of income reserves was reviewed in February 2018 and it was decided that a minimum reserve of £250,000 be maintained between The Charles Hastings Education Centre and its subsidiary, The Worcestershire Healthcare Education Company. Previously the policy was that that reserves should be equivalent to twelve month's operating costs. After deducting fixed assets, unrestricted general reserves were £326,430 at 31 March 2019 (2018 - £250,072), representing approximately 13 months of unrestricted expenditure. The level of reserves held satisfies the current policy and any excess above the minimum £250,000 will be reviewed annually, in the light of likely future developments, such as upgrading equipment and extending the Centre.

The designated development fund was established in the year ended 31 March 2018 in order to build reserves for future development projects, including a possible extension to the Charles Hastings Education Centre. The balance of this fund at 31 March 2019 was £154,000 (2018 - £154,000).

#### **Restricted Reserves**

A restricted reserve was established in respect of the development and construction of the buildings to house The Charles Hastings Education Centre. That building was completed during the year ended 31 March 2003. The balance of that fund at 31 March 2019 was £2,128,664 (2018 - £2,193,454) representing the depreciated cost of the building.

A restricted reserve was established in respect of the provision of fixed assets for the Medical Museum. The balance of that fund at 31 March 2019 was £312,312 (2018 - £321,795) again representing the depreciated cost of those assets.

A restricted reserve was also established for the provision of an audio-visual link between operating theatres in the hospital and the lecture theatre in the Education Centre and for the provision of clinical skills equipment in the Centre. The fund balance of £79,484 (2018 - £76,987) represents the depreciated cost of those assets.

A further restricted fund was established in 2010 to develop a new museum exhibition within the former Worcester Royal Infirmary at Castle Street which has received Heritage Lottery Funding. The fund balance at 31 March 2019 was £59,787 (2018 - £73,075), the project was completed on 31 October 2014 and the balance represents the depreciated cost of the assets held within the exhibition, as adjusted for the debtors and bank balance.

Each of the above restricted reserves relate to specific grants received from third parties and totalled £2,580,247 at 31 March 2019 (2018 - £2,665,311).

#### **Investment Powers**

The Investment powers are governed by the Trustee Investment Act 1961 (as amended) and the Charities Act 2011.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Charity is a company limited by guarantee which is governed by its Memorandum and Articles of Association. The Charity is registered with the Charity Commission. The Charity registration number is 1074732 and the limited company number is 03716992.

##### **Recruitment and appointment of new trustees**

The Trustees/Directors, being eligible, offer themselves in rotation for re-election every three years at the Annual General Meeting. The appointment of the Trustees is made by the members in the annual general meeting on the recommendation of existing trustees based on personal recommendations.

## **The Charles Hastings Education Centre**

### **Report of the Trustees for the Year Ended 31st March 2019**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

The Charles Hastings Education Centre is a registered charity and a private limited company. There is a Board of Trustees/ Directors which manages the organisation at a strategic level. The conduct of the Board is governed by Standing Orders, a Scheme of Delegation of Interest and Standing Financial Instructions.

The Scheme of Delegation provides that the following powers are retained solely by the Board:

- Policy determination;
- Approval of business plan;
- Appointments of officers;
- Financial and performance monitoring;
- Approval of audit arrangements;
- Approval of organisation structures, including committees and sub-committees.

The Board has approved the committee structure as follows:

Reporting to the Board is the Management Committee which has an agreed constitution covering membership and terms of reference.

Reporting to the Management Committee is one sub-committee that meets on the same cycle as the Board and Management Committee, i.e. at least three times per annum. This is the Museum Sub-Committee and as with the Management Committee, this sub-committee has prescribed membership and terms of reference. The decision-making of the Management Committee and the sub-committee is prescribed by the Scheme of Delegation and their terms of reference.

The Chairman, Secretary and Treasurer have prescribed duties and responsibilities under the Scheme of Delegation. The Secretary, P J Morris, is responsible for the day-to-day management of the organisation.

##### **Induction and training of new trustees**

Trustees are inducted by meeting with the Chairman and Secretary. Trustees' skills are regularly reviewed and updated where necessary.

##### **Related parties**

The Worcestershire Healthcare Education Company Limited is the wholly-owned subsidiary of The Charles Hastings Education Centre. It is also a private limited company and exists to undertake the commercial activities of The Charles Hastings Education Centre. It has the same board of directors and the same officers and, as with The Charles Hastings Education Centre, the Secretary is responsible for the day-to-day running of The Worcestershire Healthcare Education Company Limited.

Any profit of The Worcestershire Healthcare Education Company Limited is gift aided to The Charles Hastings Education Centre; during the year ended 31 March 2019 £88,631 (2018 - £79,907) was gifted to the charity.

##### **Risk assessment**

The Trustees regularly assess the risks to which the charity is exposed and take appropriate action to mitigate these.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISION**

Per the charitable company's Articles of Association, subject to the provisions of the Act every trustee or other officer of the Charity shall be indemnified out of the assets of the Charity against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability or negligence, default, breach of duty or breach of trust in relation to the affairs of the Charity.

For all directors at the time of the approval of the report:

- the auditors are not unaware of any relevant audit information;
- all appropriate steps have been taken to establish this.

**The Charles Hastings Education Centre**

**Report of the Trustees  
for the Year Ended 31st March 2019**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of The Charles Hastings Education Centre 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.

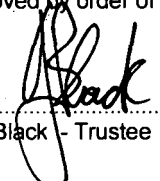
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 21<sup>st</sup> Oct 2019 and signed on its behalf by:

  
.....  
Mr J Black - Trustee

**Report of the Independent Auditors to the Members of  
The Charles Hastings Education Centre**

**Opinion**

We have audited the financial statements of The Charles Hastings Education Centre (the 'charitable company') for the year ended 31st March 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2019 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**



**Report of the Independent Auditors to the Members of  
The Charles Hastings Education Centre**

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

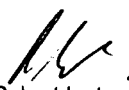
**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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.

  
Robert Iestyn Richards FCA CTA FCCA (Senior Statutory Auditor)  
for and on behalf of The Richards Sandy Partnership Ltd  
(Statutory Auditor)  
Thorneloe House  
25 Barbourne Road  
Worcester  
Worcestershire  
WR1 1RU

Date: 31/10/2014

**The Charles Hastings Education Centre**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31st March 2019**

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	161,321	-	161,321	171,306
<b>Charitable activities</b>	5				
The Charles Hastings Education Centre		224,171	-	224,171	215,096
George Marshall Medical Museum		1,382	-	1,382	3,028
Investment income	4	841	-	841	373
<b>Total</b>		<b>387,715</b>	<b>-</b>	<b>387,715</b>	<b>389,803</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
The Charles Hastings Education Centre		269,986	105,343	375,329	395,376
George Marshall Medical Museum		25,420	1,368	26,788	21,953
<b>Total</b>		<b>295,406</b>	<b>106,711</b>	<b>402,117</b>	<b>417,329</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>92,309</b>	<b>(106,711)</b>	<b>(14,402)</b>	<b>(27,526)</b>
<b>Transfers between funds</b>	16	<b>(21,647)</b>	<b>21,647</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>70,662</b>	<b>(85,064)</b>	<b>(14,402)</b>	<b>(27,526)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>488,918</b>	<b>2,665,311</b>	<b>3,154,229</b>	<b>3,181,755</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>559,580</b>	<b>2,580,247</b>	<b>3,139,827</b>	<b>3,154,229</b>

The notes form part of these financial statements


The Charles Hastings Education Centre (Registered number: 03716992)

Balance Sheet  
At 31st March 2019

		Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	12	79,149	2,580,247	2,659,396	2,750,157
Investments	13	1	-	1	1
		<u>79,150</u>	<u>2,580,247</u>	<u>2,659,397</u>	<u>2,750,158</u>
<b>CURRENT ASSETS</b>					
Debtors	14	188,290	-	188,290	196,580
Cash at bank and in hand		<u>401,565</u>	-	<u>401,565</u>	<u>301,086</u>
		<u>589,855</u>	-	<u>589,855</u>	<u>497,666</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(109,425)	-	(109,425)	(93,595)
<b>NET CURRENT ASSETS</b>		<u>480,430</u>	-	<u>480,430</u>	<u>404,071</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>559,580</u>	<u>2,580,247</u>	<u>3,139,827</u>	<u>3,154,229</u>
<b>NET ASSETS</b>		<u><u>559,580</u></u>	<u><u>2,580,247</u></u>	<u><u>3,139,827</u></u>	<u><u>3,154,229</u></u>
<b>FUNDS</b>	16				
Unrestricted funds				559,580	488,918
Restricted funds				<u>2,580,247</u>	<u>2,665,311</u>
<b>TOTAL FUNDS</b>				<u><u>3,139,827</u></u>	<u><u>3,154,229</u></u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 21<sup>st</sup> Oct 2019 and were signed on its behalf by:

  
Mr J Black - Trustee

## **The Charles Hastings Education Centre**

### **Notes to the Financial Statements for the Year Ended 31st March 2019**

#### **1. STATUTORY INFORMATION**

The charity is a company limited by guarantee. The members of the company are the trustees named in the 'Reference and Administrative Details' on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The charitable company's registered number and registered office address can be found on page 1.

#### **2. ACCOUNTING POLICIES**

##### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial information presented is for the charity alone and does not incorporate the results of the trading subsidiary undertaking The Worcestershire Healthcare Education Company.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is not a large charity.

##### **INCOME**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants and donations receivable**

Grants and donations are credited to profit and loss account when they are receivable. Restricted grants and donations received for capital expenditure are shown as a Restricted Reserve and the expenditure to which they relate is capitalised as a tangible fixed asset and depreciated in accordance with accounting policy.

##### **Income from charitable activities**

Letting income, course income and museum takings are recognised on an accruals basis.

##### **EXPENDITURE**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

## **The Charles Hastings Education Centre**

### **Notes to the Financial Statements - continued for the Year Ended 31st March 2019**

#### **2. ACCOUNTING POLICIES - continued**

##### **TANGIBLE FIXED ASSETS**

Depreciation is provided on all tangible fixed assets, stated at cost, at the following annual rates in order to write off each asset over its estimated useful life. Assets are included at cost and any capital expenditure less than £100 is not capitalised.

Leasehold property	- 2% on cost
Plant and equipment	- 15% on reducing balance
Audio visual equipment	- 12.5% on cost

##### **HERITAGE ASSETS**

The centre houses the George Marshall Medical Museum which has a collection of objects illustrating the way that medicine and healthcare has developed over the past 250 years. The objects have been donated over many years by local people, predominantly Dr George Marshall.

The assets have not been capitalised in the balance sheet as reliable cost information is not available and conventional valuation approaches lack sufficient reliability, although the trustees believe the value could be in the region of £125,000, no formal valuation has taken place.

##### **INVESTMENTS**

The investment in the subsidiary company, The Worcestershire Healthcare Education Company Limited, is included at cost.

##### **TAXATION**

The charity is exempt from corporation tax on its charitable activities.

##### **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.

##### **DONATED GOODS AND SERVICES**

The charitable company leases from Worcestershire Acute Hospitals NHS Trust the land upon which it has erected the premises known as the Charles Hastings Education Centre at Worcestershire Royal Hospital. The lease is for a period of 99 years from 8 March 2002 and a peppercorn rent is payable if demanded. The fair value of this donated service is not measurable and as such no value of the donated land has been included within the accounts.

**The Charles Hastings Education Centre**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019**

**2. ACCOUNTING POLICIES - continued**

**FINANCIAL INSTRUMENTS**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic Financial Assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Basic Financial Liabilities**

Basic Financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

**LEASING**

Rentals receivable under operating leases are credited to the Statement of Financial Activities on a straight line basis over the lease term.

**3. DONATIONS AND LEGACIES**

	2019 £	2018 £
Donations	72,690	3,384
Contributions from WAHT	-	88,015
Gift Aid Donation - The Worcestershire Healthcare Education Company Limited	88,631	79,907
	<u>161,321</u>	<u>171,306</u>

**4. INVESTMENT INCOME**

	2019 £	2018 £
Deposit account interest	<u>841</u>	<u>373</u>

**The Charles Hastings Education Centre**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019**

**5. INCOME FROM CHARITABLE ACTIVITIES**

			2019	2018
	<b>The Charles Hastings Education Centre £</b>	<b>George Marshall Medical Museum £</b>	<b>Total activities £</b>	<b>Total activities £</b>
Letting to The Worcestershire Healthcare Education Company Limited	220,372	-	220,372	212,940
Course Income	8,799	-	8,799	2,156
Laboratory Hire	(5,000)	-	(5,000)	-
Museum Takings	-	1,382	1,382	3,028
	<u>224,171</u>	<u>1,382</u>	<u>225,553</u>	<u>218,124</u>

**6. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs (See note 7) £</b>	<b>Totals £</b>
The Charles Hastings Education Centre	375,329	375,329
George Marshall Medical Museum	26,788	26,788
	<u>402,117</u>	<u>402,117</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2019 £	2018 £
Staff costs	1,368	1,368
Rates and water	5,948	5,943
Insurance	17,939	19,593
Light and heat	61,685	69,599
Telephone	404	427
Sundries	525	786
Estate maintenance	81,736	78,996
Cleaning, security and associated costs	62,873	60,740
Museum costs	25,454	21,953
Professional fees: secretary	9,600	9,500
Professional fees: Treasurer	4,318	4,186
Repairs and renewals	2,477	3,470
Audio visual equipment repairs	1,639	822
Auditors remuneration	3,600	3,600
Conference costs	9,326	7,522
Subscriptions and licensing	-	6,791
Depreciation	112,898	122,008
Loss on sale of assets	302	-
Interest payable and similar charges	25	25
	<u>402,117</u>	<u>417,329</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation - owned assets	112,898	122,008
Deficit on disposal of fixed asset	302	-
Auditor's remuneration	3,600	3,600
	<u>116,800</u>	<u>125,608</u>

**The Charles Hastings Education Centre**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019**

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2019 nor for the year ended 31st March 2018.

**TRUSTEES' EXPENSES**

There were no trustees' expenses paid for the year ended 31st March 2019 nor for the year ended 31st March 2018.

**10. STAFF COSTS**

The average monthly number of employees during the year was nil (2018 - nil).

No employees received emoluments in excess of £60,000.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	83,291	88,015	171,306
<b>Charitable activities</b>			
The Charles Hastings Education Centre	215,096	-	215,096
George Marshall Medical Museum	3,028	-	3,028
Investment income	373	-	373
<b>Total</b>	<b>301,788</b>	<b>88,015</b>	<b>389,803</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
The Charles Hastings Education Centre	280,699	114,677	395,376
George Marshall Medical Museum	21,953	-	21,953
<b>Total</b>	<b>302,652</b>	<b>114,677</b>	<b>417,329</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(864)</b>	<b>(26,662)</b>	<b>(27,526)</b>
<b>Transfers between funds</b>	<b>16,543</b>	<b>(16,543)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>15,679</b>	<b>(43,205)</b>	<b>(27,526)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>473,239</b>	<b>2,708,516</b>	<b>3,181,755</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>488,918</b>	<b>2,665,311</b>	<b>3,154,229</b>



**The Charles Hastings Education Centre**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019**

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Plant and machinery £	Audio-visual equipment £	Totals £
<b>COST</b>					
At 1st April 2018	3,730,109	-	545,737	296,974	4,572,820
Additions	-	2,160	-	20,279	22,439
Disposals	-	-	(1,248)	-	(1,248)
At 31st March 2019	<u>3,730,109</u>	<u>2,160</u>	<u>544,489</u>	<u>317,253</u>	<u>4,594,011</u>
<b>DEPRECIATION</b>					
At 1st April 2018	1,192,873	-	422,277	207,513	1,822,663
Charge for year	74,603	43	18,471	19,781	112,898
Eliminated on disposal	-	-	(946)	-	(946)
At 31st March 2019	<u>1,267,476</u>	<u>43</u>	<u>439,802</u>	<u>227,294</u>	<u>1,934,615</u>
<b>NET BOOK VALUE</b>					
At 31st March 2019	<u>2,462,633</u>	<u>2,117</u>	<u>104,687</u>	<u>89,959</u>	<u>2,659,396</u>
At 31st March 2018	<u>2,537,236</u>	<u>-</u>	<u>123,460</u>	<u>89,461</u>	<u>2,750,157</u>

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
At 1st April 2018 and 31st March 2019	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31st March 2019	<u>1</u>
At 31st March 2018	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**The Worcestershire Healthcare Education Company Limited**

Registered office: The Charles Hastings Education Centre, Worcestershire Royal Hospital, Charles Hastings Way, Worcester, Worcestershire, United Kingdom, WR5 1DD  
Nature of business: Letting.

Class of share:	% holding
Ordinary £1	100

	2019 £	2018 £
Aggregate capital and reserves	<u>1</u>	<u>1</u>

The subsidiary company, The Worcestershire Healthcare Education Company Limited, Company Number 03885017, started trading on 1 April 2005 and gift aids all of its profits to The Charles Hastings Education Centre Limited. The gift aid donation for the year, received from The Worcestershire Healthcare Education Company Limited, was £88,631 (2018 - £79,907).

**The Charles Hastings Education Centre**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019**

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

	2019	2018
	£	£
Trade debtors	16,032	20,592
The Worcestershire Healthcare Education Company Limited	146,203	137,479
VAT	12,650	22,973
Prepayments and accrued income	13,405	15,536
	<u>188,290</u>	<u>196,580</u>

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

	2019	2018
	£	£
Trade creditors	94,596	66,278
Accruals and deferred income	14,829	27,317
	<u>109,425</u>	<u>93,595</u>

**16. MOVEMENT IN FUNDS**

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General fund	334,918	92,309	(21,647)	405,580
Development Fund	154,000	-	-	154,000
	<u>488,918</u>	<u>92,309</u>	<u>(21,647)</u>	<u>559,580</u>
<b>Restricted funds</b>				
Education Centre	2,193,454	(64,790)	-	2,128,664
Medical Museum	321,795	(9,483)	-	312,312
Audio Visual Equipment	76,987	(17,782)	20,279	79,484
HLF Museum	73,075	(14,656)	1,368	59,787
	<u>2,665,311</u>	<u>(106,711)</u>	<u>21,647</u>	<u>2,580,247</u>
<b>TOTAL FUNDS</b>	<u>3,154,229</u>	<u>(14,402)</u>	<u>-</u>	<u>3,139,827</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	387,715	(295,406)	92,309
<b>Restricted funds</b>			
Audio Visual Equipment	-	(17,782)	(17,782)
Education Centre	-	(64,790)	(64,790)
Medical Museum	-	(9,483)	(9,483)
HLF Museum	-	(14,656)	(14,656)
	<u>-</u>	<u>(106,711)</u>	<u>(106,711)</u>
<b>TOTAL FUNDS</b>	<u>387,715</u>	<u>(402,117)</u>	<u>(14,402)</u>

The Charles Hastings Education Centre

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
<b>Unrestricted Funds</b>				
General fund	473,239	(864)	(137,457)	334,918
Development Fund	-	-	154,000	154,000
	<u>473,239</u>	<u>(864)</u>	<u>16,543</u>	<u>488,918</u>
<b>Restricted Funds</b>				
Education Centre	2,258,244	(64,790)	-	2,193,454
Medical Museum	334,020	(12,225)	-	321,795
Audio Visual Equipment	9,851	67,136	-	76,987
HLF Museum	106,401	(16,783)	(16,543)	73,075
	<u>2,708,516</u>	<u>(26,662)</u>	<u>(16,543)</u>	<u>2,665,311</u>
<b>TOTAL FUNDS</b>	<u>3,181,755</u>	<u>(27,526)</u>	<u>-</u>	<u>3,154,229</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	301,788	(302,652)	(864)
<b>Restricted funds</b>			
Audio Visual Equipment	88,015	(20,879)	67,136
Education Centre	-	(64,790)	(64,790)
Medical Museum	-	(12,225)	(12,225)
HLF Museum	-	(16,783)	(16,783)
	<u>88,015</u>	<u>(114,677)</u>	<u>(26,662)</u>
<b>TOTAL FUNDS</b>	<u>389,803</u>	<u>(417,329)</u>	<u>(27,526)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General fund	473,239	91,445	(159,104)	405,580
Development Fund	-	-	154,000	154,000
<b>Restricted funds</b>				
Education Centre	2,258,244	(129,580)	-	2,128,664
Medical Museum	334,020	(21,708)	-	312,312
Audio Visual Equipment	9,851	49,354	20,279	79,484
HLF Museum	106,401	(31,439)	(15,175)	59,787
	<u>2,708,516</u>	<u>(133,373)</u>	<u>5,104</u>	<u>2,580,247</u>
<b>TOTAL FUNDS</b>	<u>3,181,755</u>	<u>(41,928)</u>	<u>-</u>	<u>3,139,827</u>

# **The Charles Hastings Education Centre**

## **Notes to the Financial Statements - continued for the Year Ended 31st March 2019**

### **16. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	689,503	(598,058)	91,445
<b>Restricted funds</b>			
Audio Visual Equipment	88,015	(38,661)	49,354
Education Centre	-	(129,580)	(129,580)
Medical Museum	-	(21,708)	(21,708)
HLF Museum	-	(31,439)	(31,439)
	<u>88,015</u>	<u>(221,388)</u>	<u>(133,373)</u>
<b>TOTAL FUNDS</b>	<u><u>777,518</u></u>	<u><u>(819,446)</u></u>	<u><u>(41,928)</u></u>

#### **Unrestricted Funds**

Unrestricted funds include a general fund and a designated fund. The total unrestricted fund balance at 31 March 2019 was £559,580 (2018 - £488,918), but after deducting fixed assets was £480,430 (2018 - £404,072), representing approximately 20 months operating costs.

#### General Fund

The general fund can be used for any charitable purpose within the charity's objects and, per the reserves policy identified by the trustees, a minimum of £250,000 is to be held in this fund. At the year end the balance of the General Fund was £326,430 (2018 - £250,072) after deducting fixed assets.

#### Development Fund

In view of the considerable increase in demand, a designated Development Fund was established last year in order to build reserves for future development projects, including a possible extension to the Charles Hastings Education Centre. The balance of this fund at 31 March 2019 was £154,000 (2018 - £154,000).

#### **Restricted Funds**

##### Education Centre

The restricted fund re Education Centre was established in respect of the development and construction of the building to house The Charles Hastings Education Centre. That building was completed during the year ended 31 March 2003. The balance of that fund at 31 March 2019 was £2,128,664 (2018 - £2,193,454) and has arisen from restricted donations.

##### Medical Museum

The restricted fund re Medical Museum was established in respect of the provision of fixed assets for the Medical Museum. The balance of that fund at 31 March 2019 was £312,312 (2018 - £321,795). Again the fund has arisen from restricted donations.

##### Audio Visual Equipment

The restricted fund re Audio Visual Equipment was also established for the provision of an audio-visual link between operating theatres in the hospital and the lecture theatre in the Education Centre and for the provision of clinical skills equipment in the Centre. The balance of that fund at 31 March 2019 was £79,484 (2018 - £76,987).

##### Heritage Lottery Fund - Museum

The restricted fund re Heritage Lottery Fund (HLF) Museum was established in 2010 to develop a new museum exhibition within the former Worcester Royal Infirmary at Castle Street. The fund arose from a restricted fund grant from the Heritage Lottery Fund and the balance at 31 March 2019 was £59,787 (2018 - £73,075). The project was completed on 31 October 2014 and permission was granted by the grant provider to allow this lump sum to be transferred into a separate restricted fund to provide educational workshops.

**The Charles Hastings Education Centre**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2019**

**16. MOVEMENT IN FUNDS - continued**

**TRANSFERS BETWEEN FUNDS**

A transfer of £20,279 has been made from the unrestricted general fund to the Audio Visual Equipment fund to cover the cost of new audio visual equipment purchased in the year.

A transfer of £1,368 has been made from the unrestricted general fund to the HLF Museum fund to cover the drawdown of the HLF grant in respect of wages recharged.

**17. RELATED PARTY DISCLOSURES**

A trustee of The Charles Hastings Education Centre is also Chairman of the Worcester Acute Hospitals Trust. During the year £141,876 (2018: £138,276) was paid to Worcester Acute Hospitals Trust for estate maintenance. Furthermore, £11,802 (2018: £nil) was invoiced to Worcester Acute Hospitals Trust in respect of room hire and recharges. £Nil (2018: £88,015) was also donated from Worcester Acute Hospitals Trust in respect of contribution to the purchase of audio equipment. At the year end £nil (2018: £6,000) was owed to The Charles Hastings Education Centre.

**18. ULTIMATE CONTROLLING PARTY**

The charity is under the control of its trustees.

**19. OPERATING LEASES**

The company leases the land upon which it has erected the premises known as the Charles Hastings Education Centre at Worcestershire Royal Hospital, Newtown Road, Worcester from Worcestershire Acute Hospitals NHS Trust. The lease is for a period of 99 years from 8 March 2002. A peppercorn rent is payable if demanded.

The company leases the premises known as the Charles Hastings Education Centre at Worcestershire Royal Hospital, Newtown Road, Worcester to The Worcestershire Healthcare Education Company Limited. The lease is for a period of 25 years from 11 March 2004. The rent receivable in the first year of this lease was £183,750. Subsequent rent receivable is increased annually by reference to the Index of Retail Prices. Rent received during the year ended 31 March 2019 amounted to £220,372 (2018 - £212,940).