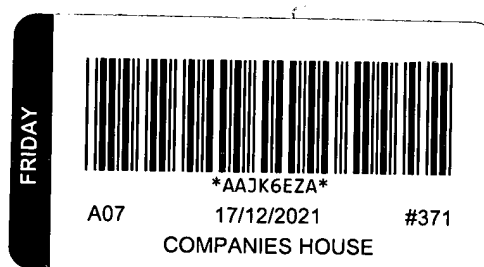


REGISTERED COMPANY NUMBER: 03716992 (England and Wales)
REGISTERED CHARITY NUMBER: 1074732

**Report of the Trustees and
Financial Statements for the Year Ended 31st March 2021
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 2021**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 20
Detailed Statement of Financial Activities	21

The Charles Hastings Education Centre

**Reference and Administrative Details
for the Year Ended 31st March 2021**

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

The Charles Hastings Education Centre

Report of the Trustees for the Year Ended 31st March 2021

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 2021. 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 2019).

OBJECTIVES AND ACTIVITIES

Principal objects

The charity's objects are the advancement of education in matters relating to medicine and health care, with particular reference to:

- the education and training of doctors and other staff employed in the National Health Service (or any organisation that may replace it);
- the provision of library and information services for medical and health care staff;
- to provide a venue for meetings, conferences and lectures for doctors and other health care staff; and
- to establish and maintain a museum which collects, documents, preserves, interprets and exhibits to a wider public material information relating to the history of medicine and health care in and around Worcester and in particular the books and artifacts relating to the founding of the British Medical Association in Worcester.

Public benefit

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.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

In the year under review the charity did not carry out any fundraising activities (as defined by section 162A of Charities Act 2011).

FINANCIAL REVIEW

Financial results

The charity's unrestricted incoming resources decreased to £320,096 (2020 - £332,269). Unrestricted resources expended decreased to £280,815 (2020 - £332,735) and the net unrestricted incoming resources for the year amounted to a surplus of £39,281 (2020 - Deficit of £466).

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.

The Charles Hastings Education Centre

Report of the Trustees for the Year Ended 31st March 2021

FINANCIAL REVIEW

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 £374,230 at 31 March 2021 (2020 - £330,885), representing approximately 13 months of typical 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 2021 was £154,000 (2020 - £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 2021 was £1,999,084 (2020 - £2,063,874) representing the depreciated cost of the building.

A restricted reserve was established in respect of the provision of fixed assets for the Medical Museum and the development of educational resources. The balance of that fund at 31 March 2021 was £299,245 (2020 - £303,126), representing the depreciated cost of those assets and the grant income available to spend on future educational resources.

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 £52,383 (2020 - £68,961) 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 2021 was £39,233 (2020 - £48,676); 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.

Two further restricted funds were established from income received in 2020/21 for a Cardiology Educational Fund and a Paediatric Training Fund.

Each of the above restricted reserves relate to specific grants received from third parties and totalled £2,401,098 at 31 March 2021 (2020 - £2,484,637).

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.

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; and
- Approval of organisation structures, including committees and sub-committees.

The Charles Hastings Education Centre

Report of the Trustees for the Year Ended 31st March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

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; and
- 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 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 2021 £87,840 (2020 - £95,081) 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.

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.

The Charles Hastings Education Centre

**Report of the Trustees
for the Year Ended 31st March 2021**

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 18/10/21 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 2021 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 2021 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 the provisions available for small entities, in the circumstances set out in note 21 to the financial statements, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Responsibilities of trustees

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we have:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework; and
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 (and related legislation), the Charities Act 2011 (and related legislation) and laws and regulation regarding VAT.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing the financial statement disclosures and reviewing the calculations of VAT returns, including testing a sample of income and expenditure transactions to ensure that VAT on such transactions have been correctly accounted for and considered the application of partial VAT exemptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Report of the Independent Auditors.

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

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 Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Date: 25/10/2021

The Charles Hastings Education Centre

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	87,861	16,458	104,319	95,085
Charitable activities	6				
The Charles Hastings Education Centre		231,392	-	231,392	232,018
George Marshall Medical Museum		35	-	35	3,584
Investment income	5	308	-	308	1,582
Other income	7	500	-	500	-
Total		320,096	16,458	336,554	332,269
EXPENDITURE ON					
Charitable activities	8				
The Charles Hastings Education Centre		258,764	99,997	358,761	409,809
George Marshall Medical Museum		25,626	-	25,626	24,884
Total		284,390	99,997	384,387	434,693
NET INCOME/(EXPENDITURE)		35,706	(83,539)	(47,833)	(102,424)
RECONCILIATION OF FUNDS					
Total funds brought forward		557,073	2,484,637	3,041,710	3,144,134
TOTAL FUNDS CARRIED FORWARD		592,779	2,401,098	2,993,877	3,041,710


The notes form part of these financial statements

Balance Sheet
31st March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	14	64,549	2,384,640	2,449,189	2,556,824
Investments	15	1	-	1	1
		<u>64,550</u>	<u>2,384,640</u>	<u>2,449,190</u>	<u>2,556,825</u>
CURRENT ASSETS					
Debtors	16	297,915	-	297,915	180,662
Cash at bank and in hand		395,477	16,458	411,935	472,316
		<u>693,392</u>	<u>16,458</u>	<u>709,850</u>	<u>652,978</u>
CREDITORS					
Amounts falling due within one year	17	(165,163)	-	(165,163)	(168,093)
NET CURRENT ASSETS		<u>528,229</u>	<u>16,458</u>	<u>544,687</u>	<u>484,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>592,779</u>	<u>2,401,098</u>	<u>2,993,877</u>	<u>3,041,710</u>
NET ASSETS		<u>592,779</u>	<u>2,401,098</u>	<u>2,993,877</u>	<u>3,041,710</u>
FUNDS	19				
Unrestricted funds				592,779	557,073
Restricted funds				2,401,098	2,484,637
TOTAL FUNDS				<u>2,993,877</u>	<u>3,041,710</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 and authorised for issue on 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 2021

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 is exempt from preparing a cashflow statement because it is not a larger charity.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Charles Hastings Education Centre as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 and under Section 139(2) of the Charities Act 2011 from the requirements to prepare consolidated financial statements.

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.

Income from investments

Income from investments is recognised when the relating investments issue notice of distribution to its investors.

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.

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
Improvements to leasehold property	- 2% on cost
Plant and equipment	- 15% on reducing balance
Audio visual equipment	- 12.5% on cost

The Charles Hastings Education Centre
Notes to the Financial Statements - continued
for the Year Ended 31st March 2021

2. ACCOUNTING POLICIES - continued

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.

INVESTMENTS

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

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.

The Charles Hastings Education Centre

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The charity makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Depreciation

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on the technological advancement, future investment, economic utilisation and the physical condition of the assets.

Rates of depreciation are considered on a line by line basis and disclosed within the accounting policy for depreciation.

4. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	1,174	4
Grants	15,305	-
Gift Aid Donation - The Worcestershire Healthcare Education Company Limited	87,840	95,081
	<u>104,319</u>	<u>95,085</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Medtronic	10,000	-
Ironbridge Gorge Museums	5,305	-
	<u>15,305</u>	<u>-</u>

5. INVESTMENT INCOME

	2021 £	2020 £
Bank interest	308	1,582

6. INCOME FROM CHARITABLE ACTIVITIES

	The Charles Hastings Education Centre £	George Marshall Medical Museum £	2021 Total activities £	2020 Total activities £
Letting to The Worcestershire Healthcare Education Company Limited	231,392	-	231,392	225,836
Museum Takings	-	35	35	3,584
Course Income	-	-	-	6,182
	<u>231,392</u>	<u>35</u>	<u>231,427</u>	<u>235,602</u>

The Charles Hastings Education Centre

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

7. OTHER INCOME

	2021	2020
	£	£
Bank compensation	<u>500</u>	<u>-</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £
The Charles Hastings Education Centre	358,761
George Marshall Medical Museum	<u>25,626</u>
	<u><u>384,387</u></u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Rates and water	8,839	14,630
Insurance	14,629	14,403
Light and heat	51,379	82,453
Telephone	372	417
Sundries	253	892
Estate maintenance	86,687	83,780
Cleaning, security and associated costs	65,938	64,153
Museum costs	25,626	24,884
Company secretary fees	8,400	9,800
Bookkeeper	1,160	4,740
Repairs and renewals	755	1,502
Audio visual equipment repairs	4,027	3,456
Auditors remuneration	3,200	2,220
Conference costs	2,032	16,095
Accountancy fees	830	2,323
Depreciation	106,030	108,920
Loss on sale of assets	4,205	-
Interest payable and similar charges	25	25
	<u><u>384,387</u></u>	<u><u>434,693</u></u>

10. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Depreciation - owned assets	106,030	108,920
Deficit on disposal of fixed assets	4,205	-
Amounts payable to auditor for statutory audit	3,200	2,220
Amounts payable to auditor for tax advisory services	-	350
Amounts payable to auditor for other financial services	<u>830</u>	<u>1,973</u>

The Charles Hastings Education Centre

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2021 nor for the year ended 31st March 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

12. STAFF COSTS

There were no employees during the year ended 31 March 2021 nor during the year ended 31 March 2020.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	95,085	-	95,085
Charitable activities			
The Charles Hastings Education Centre	232,018	-	232,018
George Marshall Medical Museum	3,584	-	3,584
Investment income	1,582	-	1,582
Total	332,269	-	332,269
EXPENDITURE ON			
Charitable activities			
The Charles Hastings Education Centre	307,851	101,958	409,809
George Marshall Medical Museum	24,884	-	24,884
Total	332,735	101,958	434,693
NET INCOME/(EXPENDITURE)	(466)	(101,958)	(102,424)
Transfers between funds	(6,348)	6,348	-
Net movement in funds	(6,814)	(95,610)	(102,424)
RECONCILIATION OF FUNDS			
Total funds brought forward	563,887	2,580,247	3,144,134
TOTAL FUNDS CARRIED FORWARD	557,073	2,484,637	3,041,710

The Charles Hastings Education Centre

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

14. TANGIBLE FIXED ASSETS

	Long leasehold buildings £	Improvements to property £	Plant and machinery £	Audio visual equipment £	Totals £
COST					
At 1st April 2020	3,730,109	2,160	544,489	323,601	4,600,359
Additions	-	-	2,600	-	2,600
Disposals	-	-	(40,921)	-	(40,921)
At 31st March 2021	3,730,109	2,160	506,168	323,601	4,562,038
DEPRECIATION					
At 1st April 2020	1,342,079	86	455,503	245,867	2,043,535
Charge for year	74,603	43	13,104	18,280	106,030
Eliminated on disposal	-	-	(36,716)	-	(36,716)
At 31st March 2021	1,416,682	129	431,891	264,147	2,112,849
NET BOOK VALUE					
At 31st March 2021	2,313,427	2,031	74,277	59,454	2,449,189
At 31st March 2020	2,388,030	2,074	88,986	77,734	2,556,824

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st April 2020 and 31st March 2021	1
NET BOOK VALUE	
At 31st March 2021	1
At 31st March 2020	1

The Worcestershire Healthcare Education Company Limited

The charity owns 100% of the ordinary shares of The Worcestershire Healthcare Education Company Limited (company number 03885017).

The trading results of The Worcestershire Healthcare Education Company Limited was as follows:

	2021 £	2020 £
Turnover	307,007	319,864
Administrative expenses	(239,167)	(253,683)
Other operating income	20,000	28,900
Profit for the financial year	87,840	95,081
Gift aid distributions to the charity	(87,840)	(95,081)
Net retained earnings for the year	-	-

At the year end the balance sheet of The Worcestershire Healthcare Education Company Limited was as follows:

	2021 £	2020 £
Total current assets	297,138	164,507
Total current liabilities	(297,137)	(164,507)
	1	1

The Charles Hastings Education Centre

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

15. FIXED ASSET INVESTMENTS - continued

Share capital	<u>1</u>	<u>1</u>
---------------	----------	----------

During the year the charity received from The Worcestershire Healthcare Education Company Limited rental income of £231,392 (2020 - £225,836) and gift aid distributions of £87,840 (2020 - £95,081). At the year end the charity had debtors owing from The Worcestershire Healthcare Education Company Limited of £284,947 (2020 - £152,653).

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
The Worcestershire Healthcare Education Company Limited	284,947	152,653
VAT	-	13,624
Prepayments and accrued income	12,968	14,385
	<u>297,915</u>	<u>180,662</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	99,404	151,825
VAT	7,694	-
Accruals	58,065	16,268
	<u>165,163</u>	<u>168,093</u>

18. LEASING AGREEMENTS

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 2021 amounted to £231,392 (2020 - £225,836).

19. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	403,073	35,706	438,779
Development Fund	154,000	-	154,000
	<u>557,073</u>	<u>35,706</u>	<u>592,779</u>
Restricted funds			
Education Centre	2,063,874	(64,790)	1,999,084
Medical Museum	303,126	(3,881)	299,245
Audio Visual Equipment	68,961	(16,578)	52,383
HLF Museum	48,676	(9,443)	39,233
Cardiology Department Educational Fund	-	10,000	10,000
Paediatric Training Fund	-	1,153	1,153
	<u>2,484,637</u>	<u>(83,539)</u>	<u>2,401,098</u>
TOTAL FUNDS	<u>3,041,710</u>	<u>(47,833)</u>	<u>2,993,877</u>

The Charles Hastings Education Centre

Notes to the Financial Statements - continued
for the Year Ended 31st March 2021

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	320,096	(284,390)	35,706
Restricted funds			
Education Centre	-	(64,790)	(64,790)
Medical Museum	5,305	(9,186)	(3,881)
Audio Visual Equipment	-	(16,578)	(16,578)
HLF Museum	-	(9,443)	(9,443)
Cardiology Department Educational Fund	10,000	-	10,000
Paediatric Training Fund	1,153	-	1,153
	<u>16,458</u>	<u>(99,997)</u>	<u>(83,539)</u>
TOTAL FUNDS	<u>336,554</u>	<u>(384,387)</u>	<u>(47,833)</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	409,887	(466)	(6,348)	403,073
Development Fund	154,000	-	-	154,000
	<u>563,887</u>	<u>(466)</u>	<u>(6,348)</u>	<u>557,073</u>
Restricted funds				
Education Centre	2,128,664	(64,790)	-	2,063,874
Medical Museum	312,312	(9,186)	-	303,126
Audio Visual Equipment	79,484	(16,871)	6,348	68,961
HLF Museum	59,787	(11,111)	-	48,676
	<u>2,580,247</u>	<u>(101,958)</u>	<u>6,348</u>	<u>2,484,637</u>
TOTAL FUNDS	<u>3,144,134</u>	<u>(102,424)</u>	<u>-</u>	<u>3,041,710</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	332,269	(332,735)	(466)
Restricted funds			
Education Centre	-	(64,790)	(64,790)
Medical Museum	-	(9,186)	(9,186)
Audio Visual Equipment	-	(16,871)	(16,871)
HLF Museum	-	(11,111)	(11,111)
	<u>-</u>	<u>(101,958)</u>	<u>(101,958)</u>
TOTAL FUNDS	<u>332,269</u>	<u>(434,693)</u>	<u>(102,424)</u>

The Charles Hastings Education Centre
Notes to the Financial Statements - continued
for the Year Ended 31st March 2021

19. MOVEMENT IN FUNDS - continued

Unrestricted Funds

Unrestricted funds include a general fund and a designated fund. The total unrestricted fund balance at 31 March 2021 was £596,354 (2020 - £557,073), but after deducting fixed assets was £528,230 (2020 - £484,885), representing approximately 19 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 £374,230 (2020 - £330,885) after deducting fixed assets.

Development Fund

In view of the considerable increase in demand, a designated Development Fund was established in 2018 in order to build reserves for future development projects (the exact timing of which is currently not known), including a possible extension to the Charles Hastings Education Centre. The balance of this fund at 31 March 2021 was £154,000 (2020 - £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 2021 was £1,999,084 (2020 - £2,063,874) 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 2021 was £299,245 (2020 - £303,126). 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 2021 was £52,383 (2020 - £68,961).

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 2021 was £39,233 (2020 - £48,676). 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.

Cardiology Department Educational Fund

The restricted fund re the Cardiology Department Educational Fund was established for the promotion of education throughout the Cardiology department by funding staff courses and scientific meetings. The fund balance as at 31 March 2021 was £10,000 (2020 - £nil).

Paediatric Training Fund

The restricted fund re the Paediatric Training Fund was established for funding future paediatric training. The fund balance as at 31 March 2021 was £1,153 (2020 - £nil).

The Charles Hastings Education Centre

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2021**

20. RELATED PARTY DISCLOSURES

A trustee of The Charles Hastings Education Centre is also Chairman of the Worcester Acute Hospitals Trust. During the year £150,510 (2020 - £146,653) was paid to Worcester Acute Hospitals Trust for estate maintenance and other property running costs. At the year end total trade creditors owed to Worcester Acute Hospitals Trust totalled £96,345 (2020 - £92,386).

21. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

The Charles Hastings Education Centre
Detailed Statement of Financial Activities
for the Year Ended 31st March 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	1,174	4
Grants	15,305	-
Gift Aid Donation - The Worcestershire Healthcare Education Company Limited	87,840	95,081
	<u>104,319</u>	<u>95,085</u>
Investment income		
Bank interest	308	1,582
Charitable activities		
Letting to The Worcestershire Healthcare Education Company Limited	231,392	225,836
Museum Takings	35	3,584
Course Income	-	6,182
	<u>231,427</u>	<u>235,602</u>
Other income		
Bank compensation	500	-
Total incoming resources	<u>336,554</u>	<u>332,269</u>
EXPENDITURE		
Charitable activities		
Rates and water	8,839	14,630
Insurance	14,629	14,403
Light and heat	51,379	82,453
Telephone	372	417
Sundries	253	892
Estate maintenance	86,687	83,780
Cleaning, security and associated costs	65,938	64,153
Museum costs	25,626	24,884
Company secretary fees	8,400	9,800
Bookkeeper	1,160	4,740
Repairs and renewals	755	1,502
Audio visual equipment repairs	4,027	3,456
Auditors remuneration	3,200	2,220
Conference costs	2,032	16,095
Accountancy fees	830	2,323
Long leasehold	74,603	74,603
Improvements to property	43	43
Plant and machinery	13,104	15,701
Computer equipment	18,280	18,573
Loss on sale of tangible fixed assets	4,205	-
Bank charges	25	25
	<u>384,387</u>	<u>434,693</u>
Total resources expended	<u>384,387</u>	<u>434,693</u>
Net expenditure	<u>(47,833)</u>	<u>(102,424)</u>

This page does not form part of the statutory financial statements