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British Safety Council Services

Trustees' Report and Financial
Statements

For the year ended

31 December 2007

Charity no 1097271
Company no 04618713
OSCR no SC037998

British Safety Council Services

Trustees' Report and Financial Statements

For the year ended 31 December 2007

Charity registration number	1097271
Company registration number	04618713
Principal and Registered office	70 Chancellors Road Hammersmith London W6 9RS
The Trustees	The Board of Trustees Chairman N Wrightson OBE LLB DipSH CFIOSH Members R J Cox Esq LLB (retired 30 October 2007) S Radford LLB (Hons) Solicitor CTA TEP MICSP T Kelly MBA BA C Watchman Esq FCA N Wrightson OBE LLB DipSH CFIOSH
Principal officer	Chief Executive David E Ballard LLB, MSc, CEng, FICE, FCI Arb, Barrister (left 30 November 2007) Brian Nimick MSc BSc (Hons) (appointed 6 November 2007)
Company Secretary	Chay Champness BA (Hons) FCMA DChA
Bankers	Barclays Bank plc 75 King Street London W6 9HY
Solicitors	Bates, Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH
Auditors	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

British Safety Council Services

Trustees' Report and Financial Statements

For the year ended 31 December 2007

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British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

The Board (the 'Trustees' who are also the directors for Companies Act purposes) present their report together with the financial statements of British Safety Council Services for the year ended 31 December 2007. The financial statements have been prepared under the accounting policies set out on page 12 and 13 of the financial statements and comply with the Memorandum and Articles of Association, applicable law and the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in 2005.

Occupational Health and Safety

British Safety Council Services takes very seriously its obligations regarding health and safety to its staff, and to anyone else who may be affected by British Safety Council Service's activities. Each year the health and safety policies are reviewed and confirmed. The safety committee meets quarterly and representatives from each department attend to discuss ways of making our premises and procedures even safer.

All new staff are required to attend a training course given by British Safety Council Services. It is a requirement of continued employment for staff to achieve at least the British Safety Council Awards Level 1 Certificate in Health and Safety at Work.

Structure, Governance and Management

Company Status

The charity is a company limited by guarantee. The members of the company are the trustees of the company. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Governance

Under the terms of the Articles of Association of British Safety Council Services, members of the Board are elected for a period of three years, after which they must retire but can offer themselves for re-election for a further three year period. Trustees can serve no more than three, three-year terms of office, a maximum of nine years, and then stand down. On reaching 70 years of age, Trustees are required to resign and offer themselves for re-election. The re-election needs to be supported by a business case made on each occasion by another Trustee and re-election is on an annual basis up to the age of 75 when Trustees are required to retire. The Board plans to meet four times a year.

The constitution of British Safety Council Services limits the number of Trustees to ten (and sets various other criteria), and there are currently five members.

The British Safety Council has reviewed and adopted the principles outlined in *Good Governance: A Code for the Voluntary and Community Sector* guide.

Trustee induction and training

On appointment, Trustees undergo an induction process to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the strategic plan and recent key decisions by the Board. Orientation also includes a presentation, a meeting with key staff and the provision of company documents and Charity Commission publications.

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

All of the Trustees are active at senior levels in other professional and voluntary capacities. However, Trustees are encouraged to attend training which is offered and available.

Management

The Trustees have delegated management of British Safety Council Services to the Chief Executive who reports on the performance against the strategic plans and budget approved by the Trustees. The Chief Executive is supported by the Executive Team who are responsible for discrete organisational functions.

Risk assessment

As part of British Safety Council Services regular procedures the Trustees and Executive examine and review the major risks to which British Safety Council Services is exposed. An impact analysis has been undertaken, responsibilities defined and actions taken to mitigate, wherever possible, those risks. The Trustees are satisfied that those major risks as identified have been adequately mitigated, where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. To this end the risk analysis schedules are presented on a group basis, quarterly at Board meetings.

Objectives and Activities

Objectives

The objects for which the Charity is established are to promote for the public benefit

- the health and safety of people and the general public and the prevention of accidents, injury and disease,
- the protection of people and property from, and the prevention and solution of, criminal acts, and
- environmental protection and improvement,
- sustainable development by

(a) the preservation, conservation and protection of the environment and the prudent use of resources, and

(b) the promotion of sustainable means of achieving economic growth and regeneration,

by any means including by educating people (which for these purposes shall include firms, companies and other organisations resident in and/or carrying on business in the United Kingdom or elsewhere) and disseminating useful knowledge and information about measures, methods, precautions and best practice for ensuring such ends.

"Sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs"

Mission Statement and Strategy

The mission statement of the British Safety Council group is

The British Safety Council – supporting a healthier, safer and more sustainable society

In order to achieve the mission statement, the following aims are set out

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

- 1 To be an International authority on health, safety and sustainability
- 2 To influence the health, safety and sustainability agendas
- 3 To enhance the performance of organisations through education, training, auditing and recognition
- 4 To help individuals improve their capability through the attainment of recognised qualifications

Activities

As a group, the British Safety Council intends to achieve the four aims gradually over a five-year period. In 2007, British Safety Council Services pursued two of these aims, the objectives and activities of which are described below

- Enhancing performance of organisations through education, training, auditing and recognition

British Safety Council Services is an enabling and empowering organisation operating in the business-to-business sector to improve the operational performance of organisations through the provision of key services. We work hand-in-hand with the world's leading companies, developing safe systems of work. Our specialist teams of lecturers, trainers, auditors, advisers and information providers give practical help to organisations in more than 50 countries worldwide.

We organise and conduct an extensive range of public and in-company training courses, covering occupational health, safety and environmental management. The Level 6 Diploma in Occupational Safety and Health leads to graduate level membership of the Institution of Occupational Safety and Health (IOSH) and full membership of the International Institute of Risk and Safety Management (IIRSM). We are also an approved centre for the National Vocational Qualifications at levels 3 and 4 and have been awarded direct claim status. Candidates progress through the various stages to approval by the awarding body, City and Guilds.

Our Diploma in Environmental Management automatically entitles successful candidates to Associate membership of the Institute of Environmental Management and Assessment (IEMA), as well as providing them with two points towards Environmental Auditor Registration.

We offer a wide range of audit and advisory services to organisations, including a Safety Advisory Service, Five Star Health and Safety Management System Audit and a Five Star Environmental Sustainability Audit. The portfolio also includes an OHSAS 18001 Compliance Audit and a Safety Health Check.

Other key services include the publication of the *Safety Management* magazine and the *Health and Safety at Work Act Newsletter*, plus an extensive range of British Safety Council Guides and posters.

We provide our member companies with the very best support so that they may realise the benefits of an effective health and safety culture. Membership services include the provision of a 24 hour helpline, a monthly magazine and access to an on-line information service. Member companies of British Safety Council Services number over 8,000 and come from a variety of sectors and include multi-nationals, blue chip organisations and SMEs. Over 50% of our membership base is made up of SMEs.

- Becoming an international authority on health, safety and sustainability

A new Communications and Policy Unit was established in 2007. The unit is structured to include a Senior Environmental Policy Adviser, Senior Health and Safety Policy Advisor, Director of Communications, public relations function and the publications team.

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

The Unit engages in public relations and is developing a campaigning role both in the UK and overseas. This has increasingly been supported by a high profile response to media interest and stories. The Unit is securing representation on key influential boards and committees, membership of which will allow access and opportunities to influence the health, safety and sustainability agendas.

We continue to offer a high profile programme of public events. These include the International Safety Awards annual banquet and the Sword of Honour luncheon. These schemes are organised to encourage and reward organisations that have demonstrated a sustained, improved or outstanding safety record. There is also a national programme of best practice exchange events, award ceremonies and examination preparation days.

Achievements and Performance

- Enhancing performance of organisations through education, training, auditing and recognition

In 2007 we delivered 20,000 training delegate days, 1,400 audit/advisory days, supported 8,000 membership organisations and produced 11 editions of *Safety Management* which were distributed to approximately 16,000 destinations each month.

We have continued to develop the way in which we expand our services both geographically and inter-market. In October 2007, we took occupancy of offices in Dubai to support our Middle East activities. This was further supported by establishing a partnership agreement with the Bahrain Training Institute for the training of the Level 3 Certificate in Occupational Safety and Health.

This year the British Safety Council expanded its venue portfolio in the East of England to make it easier for companies in the region to access health, safety and environmental training courses. We also opened a new office in Birmingham with the aim to provide better support to customers in the Midlands and Wales. With a training centre already situated in Birmingham, the office has given businesses greater accessibility to British Safety Council health, safety and environmental training and auditing services.

An Academy of Excellence was launched to ensure that our Diploma level trainers are kept up-to-date with the best training techniques and strategies. The academy meets to ensure that educational best practice is consistently shared and communicated. This was further supported in late December with the third annual conference for auditors and trainers. This event combined standardisation of scoring and a full review of the Five Star Safety Management System Audit, followed by various speakers from industry talking about corporate manslaughter, statutory electrical testing, the problems facing the construction industry and dyslexia in the workplace.

Membership of British Safety Council Services remains active and offers a wide range of benefits. New members in 2007 included Siemens, Accord and Mansell Construction. Members continue to benefit from receiving 100 free examinations leading to the Level 1 Certificate in Health and Safety at Work. Over 18,000 Level 1 examinations were booked in 2007 supporting organisations as diverse as prisons and airports.

The Five Star Health and Safety Audit programme continues to support organisations in achieving best practice standards and 200 organisations received either 4 or 5 stars in 2007. Following extensive customer research, British Safety Council Services launched its new Five Star Environmental Audit. This has been specifically designed with all organisations in mind – from a small office with 20 employees to large scale manufacturing plants. The Five Star Environmental Audit clearly demonstrates the benefits of sound environmental practice and the re-launched product has been well received.

Launched as part of the British Safety Council's group contribution to the 2007 European Safety Week, a free on-line assessment tool was developed in the year. This diagnostic tool helps organisations measure the effectiveness of their current health and safety activities and has been accessed by over one

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

thousand organisations wanting to quickly benchmark their health and safety performance. An environmental version has also subsequently been launched to help organisations quickly assess their sustainability performance.

- Becoming an international authority on health, safety and sustainability

During the year, a comprehensive research programme was devised, the outcome of which will be a number of seminal reports, published and presented at appropriate forums and conferences. A brand perception survey was commissioned in 2007. This has established a baseline understanding of how the British Safety Council group is recognised so that we may benchmark the success of our activities over the planning period.

In 2007 we held 8 national events reaching over 2,000 individuals. With the support of the HSE, the International Safety Award scheme recognised 580 successful applicants from organisations around the world. This was celebrated at the Annual Banquet where over a thousand guests received their Award and then enjoyed an evening of dancing, cabaret and entertainment at the Grosvenor House Hotel in Park Lane, London.

The Sword of Honour luncheon, held in Goldsmiths' Hall, rewarded the companies worldwide that have attained five stars in an audit and have then gone on to compete to be one of the top forty performers, as judged by an independent panel. This year the winners came from the Far East, Middle East, Africa, the United Kingdom, and from the United States.

Other events staged by British Safety Council Services included regular presentations where members receive their certificates following a successful five star audit, and delegates who have passed British Safety Council Awards examinations collect their diplomas. This year the venues included the Vintners Hall, Lords Cricket Ground, Lincoln's Inn and the HQS Wellington.

In 2007, two best practice exchange events were held in London and Birmingham and attracted over 200 delegates. These events allow delegates to map out their own learning experience around specific needs, interests and challenges. Using the options of roundtable discussion groups, workshops, presentations and pre-arranged meetings, delegates were able to discuss their key issues, capture best practice and develop a network of professional contacts.

We have continued to build links with key policy makers and opinion formers. Lord Mackenzie, Health and Safety Minister and Judith Hackitt, the new Chair of the Health and Safety Commission visited our headquarters in Hammersmith in 2007, providing the British Safety Council group an opportunity to explain our mission and activities.

- Other achievements

This year, the British Safety Council group celebrated its Golden Anniversary - 50 years of helping organisations and individuals across the globe to achieve health, safety and environmental best practice. In May, the British Safety Council published a special 50th Year edition of *Safety Management* magazine. As well as a timeline of our history and achievements, this contained messages of congratulation from Her Majesty the Queen, the then Prime Minister, the leaders of the opposition parties, and the heads of the UK and European safety and environmental agencies.

We have continued to develop our staff and invested approximately £70,000 in staff training in 2007. Staff turnover is in line with national averages and sickness absence is 1.8% compared to the national average of 3.7%. A "Wellness" programme was held in December with over 50 staff taking part by getting to "know their numbers" which covered blood pressure, cholesterol and BMI.

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

The key financial objectives were met in 2007 and performance surpassed budget. British Safety Council Services continues to operate on a sound fiscal footing.

British Safety Council Services continued to be ISO 9001 2000 and Investors in People (new standard) accredited.

Plans for Future Periods

- Enhancing performance of organisations through education, training, auditing and recognition

By 2012 we aspire to increase our impact and effectiveness in these areas by delivering

- 40,000 delegate days of training
- 3,000 audit / advisory days
- 100,000 assessments (between commercial and Olympic activity)
- 10,000 membership organisations
- National events reaching 7,500 individuals
- Completion of a state of the art, four-room training centre and learning zone

- Becoming an international authority on health, safety and sustainability by

- Public relations and campaigning
- Representation on advisory boards
- High profile response to media interest and stories
- Commissioning and publishing reports

The British Safety Council has measured and established baseline perceptions so that we may benchmark the success of our brand building activities over the five-year planning period. Having reviewed the baseline perceptions research report the following metrics have been set:

- Business view of familiarity and favourability – moving to 50% familiarity within 2 years and 60% within 5 years
- Opinion formers (excluding FTSE) view of familiarity and favourability by sector – moving to 40% familiarity within 2 years and 50% within 5 years

- Influencing the health, safety and sustainability agendas

The British Safety Council group aspires to improve its standing and involvement within government and non-governmental policy and standards setting agencies. In order to achieve this we must identify the influencers and key decision makers to gain representation and credibility with them and this will be one of the key roles within the Communications and Policy Unit.

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

Financial review

This should be read in conjunction with the financial statements on pages 14 to 24

A summary of the financial results is set out below

	For the year ended 31 December 2007 £	For the year ended 31 December 2006 £
Enhancing performance of organisations through education, training, auditing and recognition	311,695	928,560
Becoming an international authority on health, safety and sustainability	(81,429)	(68,594)
Net incoming resources before investment income, charitable donation and governance costs	230,266	859,966
Investment income	76,609	74,361
Charitable donation	(356,997)	(404,385)
Governance costs	(42,635)	(30,000)
Net (outgoing)/incoming resources	(92,757)	499,942

Incoming resources for the year totalled £7,955,229, £371,767 less than in 2006. Expenditure for 2007 was £8,047,986, an increase of £220,932 reflecting the additional investment made in the year to support the charity's strategic objectives. Financial performance surpassed budget and with significant expenditure in development initiatives, there were net outgoing resources in the year of £92,757. A significant reduction in the legacy pension scheme deficit by £563,000 resulted in an overall movement in funds of £470,243 in the year. This resulted in an overall net deficit in funds, including the pension scheme deficit, of £162,145 in 2007.

Incoming resources from activities relating to the enhancing performance of organisations objective are from the fees charged for the provision of training, audit advisory services, membership and publications subscriptions. Income of £7,563,515 is down 5% by £395,617 in 2007 and reflects a fall in audit and membership revenue. Expenditure rose by £221,248 to £7,251,820 derived from the investment of establishing new offices in Dubai and Birmingham and a new, fully staffed marketing department. Also apportioned were additional costs associated with increased staff training and the appointment of a new Chief Executive.

Becoming an international authority on health, safety and sustainability generated income of £315,105 from the entrance fees charged for the International Safety Awards, Awards and other public events. This was 7% and £21,602 more than for 2006, reflecting increased numbers of individuals attending our events. Investment in the newly established Communications and Policy Unit began in 2007, including over £50,000 in commissioning research pieces. Overall expenditure in 2007 increased by £34,437 to

British Safety Council Services

Report of the Trustees

For the year ended 31 December 2007

£396,534, significantly less than budget as there were offsetting cost savings and efficiencies during the year in running our events

The organisation enjoyed investment income of £76,609 from interest from funds on bank deposit. This has increased by £2,248 from 2006 and reflects the higher cash balances held in 2007.

A charitable donation of £356,997 was made in support of British Safety Council Awards in 2007 compared to £404,385 in 2006.

The FRS17 pension deficit improved by £545,000 to £850,000. A charge of £18,000 was put to operating activities with a favourable movement of £563,000 showing as a recognised gain in funds.

Investment Policy

British Safety Council Services holds British Safety Council Sales as an investment. The Dubai office lease is run from this entity.

Reserves

Current unrestricted funds of £687,855 are deemed sufficient to ensure continued financial viability and the working capital requirements of the charity. Any expenditure and investment that exceeds this level of reserves will be supported by the British Safety Council.

While the overall balance sheet shows a net negative value arising from the pension scheme liability, the Trustees are confident that the cash flow required to service the pension fund deficit is manageable on an on-going basis. Furthermore, the British Safety Council has agreed to provide British Safety Council Services with an indemnity in respect of current and future liabilities arising from the pension scheme.

Trustees' responsibilities for the consolidated financial statements

Company law requires the Trustees to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the net movement in funds of the charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

In so far as the Trustees are aware

- there is no relevant audit information of which the 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 Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charitable company and its subsidiary and which enable them to ascertain the

British Safety Council Services

Report of the Trustees

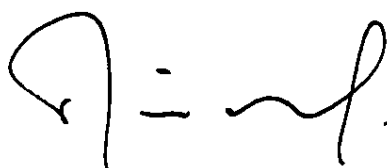
For the year ended 31 December 2007

financial position of the charitable company and to ensure that the financial statements comply with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

They are also responsible for safeguarding the assets of the charitable company and its subsidiary and for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985



NINA WRIGHTSON

BY ORDER OF THE BOARD

21 April 2008

British Safety Council Services

Report of the Auditors

For the year ended 31 December 2007

We have audited the financial statements of British Safety Council Services for the year ended 31 December 2007 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of British Safety Council Services for the purposes of company law) for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

British Safety Council Services

Report of the Auditors

For the year ended 31 December 2007

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements for the year ended 31 December 2007

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON

25 April 2008

British Safety Council Services

Principal Accounting Policies

Basis of Preparation

The financial statements are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) The particular accounting policies adopted by the Trustees are described below

The charity is exempt from the requirement to prepare consolidated accounts on the basis that it is a subsidiary of the British Safety Council who prepare full consolidated accounts

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement attached by section 247 of the Companies Act 1985 being the small companies exemption A consolidated cash flow statement of the group is disclosed in the British Safety Council Financial Statements

Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property and investments

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources Expended

All resources expended are accounted for on an accruals basis and are allotted directly to the activity to which they relate Support costs include pay and non-pay expenditure and are allocated to direct activities on the following basis

Management and administration by headcount
Human resources by headcount
Additional pension scheme costs by headcount
Finance by headcount
IT by number of PC users

Governance costs include audit fees, Board of Trustee expenses, relevant legal costs and an allocation of a half day per week salary cost of the Chief Executive and the Director of Finance and Company Secretary

Stock

Stock is valued at the lower of cost and net realisable value

Pension scheme

A stakeholder pension is available to staff with a contribution of up to 10% depending on the employee's age The cost of providing this benefit is charged to the SOFA in year

British Safety Council Services

Principal Accounting Policies

FRS17 – Retirement benefits

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group/company. The current service cost and costs from settlements and curtailments are charged against operating profit in the SOFA. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs/income. Actuarial gains and losses are reported in the statement of total recognised gains and losses in the SOFA.

Operating Leases

Rentals under operating leases – photocopiers, vending machines and office leases are charged to the SOFA in equal annual amounts over the lease term.

Financial risk management objectives and policies

The charity finances its operations through retained surpluses and does not currently have any borrowings or interest risk.

The charity seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably.

British Safety Council Services

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 December 2007

	Note	Total 2007 £	Total 2006 £
Incoming resources			
Incoming resources from generated funds			
Investment income		76,609	74,361
Incoming resources from charitable activities			
Enhancing performance of organisations through education, training, auditing and recognition		7,563,515	7,959,132
Becoming an international authority on health, safety and sustainability		315,105	293,503
Total incoming resources		7,955,229	8,326,996
Resources expended			
Costs of charitable activities			
Enhancing performance of organisations through education, training, auditing and recognition		7,251,820	7,030,572
Becoming an international authority on health, safety and sustainability		396,534	362,097
Charitable donation		356,997	404,385
Governance costs		42,635	30,000
Total resources expended	1	8,047,986	7,827,054
Net incoming resources before other recognised gains and losses		(92,757)	499,942
Other recognised gains			
Actuarial gains on defined benefit pension scheme		563,000	206,000
Net movement in funds		470,243	705,942
Total funds brought forward at 1 January 2007		(632,388)	(1,338,330)
Total funds carried forward at 31 December 2007		(162,145)	(632,388)

All the above results are derived from continuing activities. The deficit for the year for Companies Act purposes was £92,757 (2006 surplus £499,942)

The accompanying accounting policies and notes form an integral part of these financial statements

British Safety Council Services

Balance Sheet at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Investments	3	<u>0</u>	<u>0</u>
		0	0
Current assets			
Stock		14,939	16,834
Debtors	4	3,643,876	3,257,918
Cash at bank and in hand		1,079,190	1,891,930
		<u>4,738,005</u>	<u>5,166,682</u>
Creditors: amounts falling due within one year	5	<u>(4,050,150)</u>	<u>(4,404,070)</u>
Net current assets		<u>687,855</u>	<u>762,612</u>
Total assets less current liabilities and net assets excluding pension liability		687,855	762,612
Pension liability	11	(850,000)	(1,395,000)
Net negative assets including pension liability		<u>(162,145)</u>	<u>(632,388)</u>
Funds			
Unrestricted funds		687,855	762,612
Pension reserve	11	(850,000)	(1,395,000)
Total charity funds		<u>(162,145)</u>	<u>(632,388)</u>

The financial statements were approved by the Trustees on 21 April 2008

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] Chairman

NINA WRIGHTSON

The accompanying accounting policies and notes form an integral part of these financial statements

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

1 Breakdown of resources expended

				For the year ended 31 December 2007	For the year ended 31 December 2006
	Staff costs £	Direct costs £	Support costs £	Total £	Total £
Charitable activities					
Enhancing performance of organisations through education, training, auditing and recognition	2,610,126	3,156,500	1,485,194	7,251,820	7,030,572
Becoming an international authority on health, safety and sustainability	27,059	341,933	27,542	396,534	362,097
Charitable donation	0	356,997	0	356,997	404,385
Governance (i)	<u>13,196</u>	<u>26,729</u>	<u>2,710</u>	<u>42,635</u>	<u>30,000</u>
Total resources expended	<u>2,650,381</u>	<u>3,882,159</u>	<u>1,515,446</u>	<u>8,047,986</u>	<u>7,827,054</u>

- (i) Governance costs include apportioned audit fees, Board of Trustee expenses, relevant legal costs and an allocation of a half day per week salary cost of the Chief Executive and the Director of Finance and Company Secretary

Support costs include staff costs of £1,060,451. The basis for the allocation and apportionment of support costs across the activity headings are as follows

Support costs	Enhancing performance of organisations through education, training, auditing and recognition £	Becoming an international authority on health, safety and sustainability £	Governance £	Basis of apportionment
Management and administration	809,896	14,462	1,735	By head count
Human resources	111,197	1,986	239	By head count
Additional pension scheme costs	136,020	4,215	253	By head count
Finance	225,335	4,024	483	By head count
IT	202,746	2,855	0	By number of PC users
Total	<u>1,485,194</u>	<u>27,542</u>	<u>2,710</u>	

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

Breakdown of resources expended (continued)

Expenditure includes:

	For the year ended 31 December 2007 £	For the year ended 31 December 2006 £
Auditor's remuneration (all fees relate to the auditing of accounts)	<u>13,200</u>	<u>13,320</u>

2 Staff Costs

Staff costs during the year were as follows

	For the year ended 31 December 2007 £	Restated for the year ended 31 December 2006 £
Wages and salaries	3,119,469	3,144,076
Redundancy costs	40,850	14,273
Social security costs	326,894	319,808
Other pension costs	223,619	194,925
	<u>3,710,832</u>	<u>3,673,082</u>

The number of staff employed during the period, analysed by activity was

	For the year ended 31 December 2007 Number	Restated for the year ended 31 December 2006 Number
Enhancing performance of organisations through education, training, auditing and recognition	56	56
Becoming an international authority on health, safety and sustainability	1	2
Supporting activities	17	17
	<u>74</u>	<u>75</u>

At 31 December 2007 the number of staff employed was 74

The number of employees whose annualised emoluments exceeded £60,000 were as follows

British Safety Council Services

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For the year ended 31 December 2007

Staff Costs (continued)

	For the year ended 31 December 2007 Number	For the year ended 31 December 2006 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	4	4
£80,001 - £90,000	3	3
£110,001 - £120,000	1	0
£130,001 - £140,000	0	1
	11	11

Of the number of staff disclosed in the above table, payments of £32,149 were made for 8 employees in respect of the stakeholder defined contribution pension scheme (2006 £21,913 for 7 employees)

The Trustees received no remuneration for their services to the Council during the period

Travelling expenses reimbursed to Trustees amounted to £9,260 for 5 Trustees (restated 2006 £8,591 for 6 Trustees)

Indemnity insurance is provided for Trustees. The premium paid during the year amounted to £2,041 (2006 £4,394)

3 Investments

The charitable company has a 100% wholly owned subsidiary, British Safety Council Sales Limited, a company registered in the United Kingdom

Balance sheet

	31 December 2007 £	31 December 2006 £
Debtors	2,000	0
Cash	495	495
Creditors - amounts falling due in less than one year	(2,495)	(495)
	0	0

4 Debtors

	31 December 2007 £	31 December 2006 £
Trade debtors	1,569,347	1,592,715
Due from parent undertaking	1,936,297	1,385,475
Due from BSC Awards	73,530	17,479
Due from subsidiary undertakings	12,443	495
Other debtors	0	38,798
Prepayments and accrued income	52,259	222,956
	3,643,876	3,257,918

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

5 Creditors: Amounts Falling Due Within One Year

	2007 £	2006 £
Trade creditors	509,413	417,170
Taxation and social security	316,235	331,233
Accruals	225,331	256,489
Deferred income (i)	2,999,171	3,399,178
	<u>4,050,150</u>	<u>4,404,070</u>

(i) Deferred income

31 December 2006 £	Deferred incoming resources in year £	Release of deferred income in year £	31 December 2007 £
3,399,178	7,775,213	8,175,220	<u>2,999,171</u>

6 Summary of Movement in Funds

	1 January 2007 £	Incoming resources £	Resources expended £	Actuarial gain	At 31 December 2007 £
Unrestricted funds	762,612	7,955,229	(8,029,986)	0	687,855
Pension reserve	(1,395,000)	0	(18,000)	563,000	(850,000)
Total funds	<u>(632,388)</u>	<u>7,955,229</u>	<u>(8,047,986)</u>	<u>563,000</u>	<u>(162,145)</u>

7 Analysis of Net Assets Between Funds

Fund balances at 31 December 2007 are represented by	Unrestricted funds £	Pension reserve £	Total funds £
Current assets	4,738,005	0	4,738,005
Current liabilities	(4,050,150)	0	(4,050,150)
Pension liability	0	(850,000)	(850,000)
Total funds	<u>687,855</u>	<u>(850,000)</u>	<u>(162,145)</u>

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

8 Charitable Status

The British Safety Council Services is a registered charity No 1097271. Its activities are exempt from corporation tax.

9 Capital Commitments

At the period end, British Safety Council Services had entered into commitments amounting to £nil (2006 £nil).

10 Contingent Liabilities

There were no contingent liabilities at 31 December 2007 (2006 £nil).

11 Retirement Benefit Schemes

The old British Safety Council charity operated a defined benefit scheme for all qualified employees. The assets of the scheme are held in a separately administered fund.

On 1 July 2003, the liabilities in respect of this scheme were transferred to British Safety Council Services.

The total cost of retirement benefit for this scheme was £122,656.

The scheme is subject to a triennial valuation by independent actuaries, the last valuation being carried out as at 1 October 2006, using the projected unit method, in which the actuarial liability makes allowances for projected earnings. The following actuarial assumptions were applied:

Investment returns	6.00%
Salary growth	4.00%
Pension increase	3.25%

At the last actuarial valuation date, the market value of the assets of the scheme was £2,343,000 and this actuarial value was sufficient to cover 65% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The employers' contribution rate over the average remaining service lives of the members takes account of the deficit disclosed by valuation.

At 31 December 2007 the market value of the assets of the scheme, the expected long-term rate of return from them and the present value of the scheme liabilities, all as defined in accordance with FRS 17 and valued by the scheme actuary were as follows:

	31 December 2007 %	31 December 2006 %	31 December 2005 %
Discount rate	5.90	5.10	4.80
Inflation assumption	3.40	3.20	2.80
Pension escalation in payment	3.40	3.20	3.00
Pensionable salary growth	4.90	4.70	4.30

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

Retirement Benefit Schemes (continued)

	31 December 2004 %	31 December 2003 %	30 June 2003 %
Discount rate	5.20	5.40	5.40
Inflation assumption	2.80	2.50	2.25
Pension escalation in payment	3.00	3.00	3.00
Pensionable salary growth	4.30	4.00	3.75

The assets of the scheme are held with Norwich Union

The assets and liabilities of the scheme at 31 December 2007, together with the expected rates of return on scheme assets are as follows

	Expected return 31 December 2007 %	31 December 2007 £	Expected return 31 December 2006 %	31 December 2006 £	Expected return 31 December 2005 %	31 December 2005 £
Total market value of scheme assets	5.75	2,649,000	5.5	2,547,000	5.75	2,145,000
Present value of scheme liabilities		(3,499,000)		(3,942,000)		(3,731,000)
Net pension scheme liabilities		<u>(850,000)</u>		<u>(1,395,000)</u>		<u>(1,586,000)</u>

	Expected return 31 December 2004 %	31 December 2004 £	Expected return 31 December 2003 %	31 December 2003 £	Expected return 30 June 2003 %	30 June 2003 £
Total market value of scheme assets	6.0	2,244,000	6.0	2,354,000	6.5	2,300,000
Present value of scheme liabilities		(3,369,000)		(3,357,000)		(3,184,000)
Net pension scheme liabilities		<u>(1,125,000)</u>		<u>(1,003,000)</u>		<u>(884,000)</u>

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

Retirement Benefit Schemes (continued)

As a result of the actuarial valuation as at 1 October 2006, the British Safety Council is contributing to the scheme at the rate of £199,200 per annum

The analysis of the amount credited to the SOFA is as follows

	31 December 2007 £	31 December 2006 £
Current service cost	(79,000)	(73,000)
	<u>(79,000)</u>	<u>(73,000)</u>

The projected unit valuation method has been used to arrive at the above service cost. To produce a stable future contribution rate this valuation method assumes that the average age of the scheme membership will remain broadly constant in future due to the entry of new entrants to the scheme. If a scheme is closed to new members this will not be the case and the costs of benefits accruing, as a percentage of pensionable salaries, will be expected to increase over time.

The analysis of the amount credited to the SOFA is as follows

	31 December 2007 £	31 December 2006 £
Expected return on pension scheme assets	134,000	125,000
Interest on pension scheme liabilities	<u>(195,000)</u>	<u>(181,000)</u>
Net return	<u>(61,000)</u>	<u>(56,000)</u>

The analysis of the amount which is recognised in the statement of total recognised gains and losses is as follows

	31 December 2007 £	31 December 2006 £
Actual return less expected return on pension scheme assets	173,000	211,000
Experience gains and losses arising on the scheme liabilities	(23,000)	27,000
Changes in assumptions underlying the present value of the scheme liabilities	<u>413,000</u>	<u>(32,000)</u>
Actuarial gain	<u>563,000</u>	<u>206,000</u>

The history of experience gains and losses has been

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

Retirement Benefit Schemes (continued)

	Year to 31 December	Year to 31 December	Year to 31 December	Year to 31 December	6 months to 31 December	Year to 30 June
	2007 £	2006 £	2005 £	2004 £	2003 £	2003 £
Difference between expected and actual return on scheme assets						
Amount (£)	173,000	211,000	54,000	7,000	(60,000)	286,000
Percentage of scheme Assets	7%	8%	3%	1%	- 3%	12%
Experience gains and losses on scheme liabilities						
Amount (£)	(23,000)	(27,000)	(141,000)	245,000	7,000	25,000
Percentage of present value of scheme liabilities	-1%	1%	-4%	7%	1%	1%
Total actuarial gains and losses						
Amount (£)	563,000	206,000	(454,000)	(51,000)	(89,000)	(227,000)
Percentage of present value of scheme liabilities	16%	8%	-12%	-2%	- 3%	-7%

The movement in deficit in the period was

	Year to 31 December 2007 £	Year to 31 December 2006 £
Deficit in the scheme at the beginning of the period	(1,395,000)	(1,586,000)
<i>Movement in the period</i>		
Current service cost	(79,000)	(73,000)
Contributions paid by employer	122,000	114,000
Past service costs	Nil	Nil
Other finance income	(61,000)	(56,000)
Actuarial gain or (loss)	563,000	206,000
Deficit in the scheme at the end of the period	<u>(850,000)</u>	<u>(1,395,000)</u>

12 Leasing Commitments

As at 31 December 2007, the annual commitments under non-cancellable operating leases are set out below

	2007 £	2006 £
Within one year	20,770	11,387
Within two to five years	2,160	7,375
More than five years	0	0

British Safety Council Services

Notes to the Financial Statements

For the year ended 31 December 2007

13 Transactions with Directors and Other Related Parties

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

There are no other related party transactions

14 Ultimate Parent Undertaking

The immediate and ultimate parent undertaking is the British Safety Council, a charitable company registered in the United Kingdom. The consolidated financial statements of the British Safety Council can be obtained from the British Safety Council, 70 Chancellors Road, Hammersmith, London, W6 9RS

15 Warranties

As the British Safety Council pension scheme has followed the transfer of staff to British Safety Council Services and as the main assets of the British Safety Council group are held in the new British Safety Council, the new British Safety Council has agreed to provide Services with an indemnity in respect of current and future liabilities arising from the pension scheme

To ensure that the British Safety Council has acted properly and reasonably in judging that the transfer is in the best interests of the British Safety Council, British Safety Council Services warrants to the British Safety Council that the assets shall be applied in the pursuit of the charitable objectives of each entity