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British Safety Council –
A company limited by guarantee

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2011

Company number 04618713
Charity registration number 1097271
Scottish charity number SC037998

About us

The British Safety Council is one of the world's leading health, safety and environmental charities

Our vision is that no one should be killed, injured or made ill through work activities

Underpinning this is our mission, which is how we hope to contribute to or achieve our vision

Our mission is to keep people at work, or those who might be affected by work activities, healthy, safe and well through the provision of education, guidance and support

We strive to achieve both our vision and mission through a range of activities which are within our charitable objects and are all for public benefit

We focus on the areas where we can have the greatest impact, targeting industry segments and international territories whilst supporting all business sectors and sizes around the world

We represent our members, supporting them in establishing and maintaining exemplary standards

We are authoritative, confident and collaborative on behalf of our members, driving and influencing change

We influence and campaign for the right of every employee to come home safely every day

We champion sensible, proportionate safety

We support the training and education of young people to prepare the guardians of employee safety of the future, giving them good habits from the start

INDEX	PAGE
Trustees' report and financial statements	
Chair's report	1
Report of the trustees	2 - 13
Report of the independent auditor	14 - 15
Consolidated statement of financial activities	16
Balance sheet	17
Consolidated cash flow statement	18
Notes to the financial statements	19 - 32
Legal and administrative details	33-34

British Safety Council

TRUSTEES' REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2011

CHAIR'S REPORT

2011 was a year in which the tough economic conditions presented considerable challenges for the British Safety Council and its member organisations. Cost and competitive pressures continued to significantly impact on the work we undertake, in collaboration with our members, to help ensure that risks to health, safety and the environment are competently and efficiently managed.

The economic conditions that help determine where and how we and our members operate were set against a backdrop of further reform of the regulatory framework for health and safety in Great Britain. The British Safety Council was closely involved in the change process in 2011 from the moment that the Government announced its plans for further reform in March, including the review of health and safety law led by Professor Ragnar Lofstedt, through to the publication of Government's response to the review findings in November.

British Safety Council colleagues had a number of opportunities to influence the direction of reform through our submission of detailed written evidence and in face-to-face meetings. What was clear from our meetings with Professor Lofstedt, and indeed with a wide range of key stakeholders, was the importance attached to our knowledge and expertise and importantly our strong membership base and the evidence we gathered from them. Our evidence whether to Government or Parliament is shaped by what our members tell us. We appreciate the time and effort our members have taken in 2011 to share their views, expertise and even concerns on the major issues concerning health, safety and environmental management currently under review. Our dialogue and interaction with them will continue and increase.

Our vision remains steadfast: that no one should be killed, injured or made ill through work activities. The British Safety Council will continue to carefully monitor the health and safety performance not only of UK plc but many other countries across the world where we and our members operate or where we have a role to play in campaigning for much needed improvements in preventing injury and ill health.

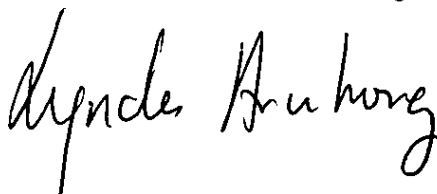
While 2011 has been a year of transition and change for the British Safety Council both in terms of personnel and organisational structure, 2012 will be a year where we rationalise and consolidate our approach and operations, in order to successfully carry out our aims and objectives in a tough operating environment. The role of the trustees continues to be one of providing oversight and ensuring good governance but also more broadly to better position the British Safety Council to deliver its aims and objectives expertly and efficiently.

In 2011 we bid farewell to Julie Nerney who held the post of interim chief executive from August 2009 to June 2011. The trustees and I wish to place on record our appreciation of her contribution over the course of two years in helping to modernise the British Safety Council structure, organisation and operations.

Alex Botha took up the role of chief executive in July 2011 having previously held the post of finance director since April 2010. Alex has an impressive track record in both the private and voluntary sectors. His determination to help the British Safety Council deliver even greater public benefit will play an important part in determining our success in moving forward.

We also bade farewell in 2011 to one of our trustees Dr Adrian Ellis. In addition to his main board responsibilities, Adrian also provided an invaluable service to the British Safety Council through his membership of the Awards committee and Policy and research committee. Adrian's contribution to workplace health and safety, both in Great Britain including as a director of HSE's field operations directorate and internationally through his work with the International Labour Organisation, has been immense.

Lynda Armstrong OBE
7 August 2012



British Safety Council

Report of the trustees For the year ended 31 December 2011

1. INTRODUCTION

The British Safety Council is one of the world's leading health, safety and environmental charities. Our vision is that no one should be killed, injured or made ill through work activities.

We are passionate about making this vision a reality. We start from the moral imperative that everyone has the right to safe and healthy working conditions.

We take our obligations regarding the health and safety of our own staff and those people affected by our activities very seriously. Each year our health and safety policies and systems are independently reviewed and assessed by external experts. In addition, the executive reviews the organisation's effectiveness in managing health and safety at their weekly meetings and the safety committee, comprising both management and employee representatives from all departments, meets quarterly to review health and safety policies, systems and management performance and institute improvements where necessary.

All new staff are required to undertake induction training which includes detailed advice and guidance on health and safety. Following this, all staff are required to achieve a least a level 1 qualification in health and safety – many of our employees have attained far higher levels of qualification.

2. VISION, ACTIVITIES AND PUBLIC BENEFIT

The trustees believe that the British Safety Council's vision, mission and activities fully reflect our charitable objectives and that all we do is for public benefit.

We have identified five steps to help us and others that we work with achieve our vision, and objectives, our activities can be grouped under these steps:

- Promoting the importance of health and safety,
- Building understanding and capability,
- Leadership and workforce engagement,
- Sharing knowledge and experience, and
- Campaigning for sensible legislation, regulation and application.

The trustees have gone through a process of assessing whether our activities underpinning these steps are for public benefit. We are satisfied that we have complied with the duties placed upon us under section 4 of the Charities Act 2006 having due regard to the general guidance on public benefit published by the Charity Commission.

For each of these five steps we have set out below the activities we have undertaken and what we have achieved.

3. FIVE STEPS FOR SAFER AND HEALTHIER WORK ACTIVITIES

3.1 PROMOTING THE IMPORTANCE OF HEALTH AND SAFETY

Our thousands of member organisations are based predominantly in the UK, India, the Middle East, and Sub-Saharan Africa. Our membership in 2011 broadly mirrored that of 2010.

British Safety Council

Report of the trustees For the year ended 31 December 2011

The British Safety Council continued to work with a range of stakeholders, both in the UK and internationally, to promote sensible and proportionate health and safety in the workplace. In 2011 we continued our work to build strategic alliances with a range of other health and safety bodies, including charities such as the Chartered Institute of Environmental Health (CIEH), the Institution of Occupational Safety and Health (IOSH) and the Royal Society for the Prevention of Accidents (RoSPA), with a view to promoting a common agenda and one that has sensible and proportionate health and safety management at its heart.

We also continued to engage with Government, politicians and the regulators on a wide range of major health and safety issues including on the reform of health and safety law, the introduction by the Health and Safety Executive (HSE) of new powers to recover its costs in relation to enforcement and a Commons Select Committee review of health and safety in Scotland.

The British Safety Council continued its extensive engagement activities with a range of organisations including trade associations and business organisations, universities, trade unions, professional and other bodies. So, for example, our chief executive undertook a series of meetings with Indian member organisations, including International Safety Award and Sword and Globe of Honour winners, with a view to working with them to publicise the economic and social benefits of well managed health and safety underpinned by strong leadership, proven competence and an engaged workforce.

We also maintained and built relationships with the press and media with the intention of getting across the message of the important business, economic and social benefits that well-managed, proportionate health and safety helps bring. We deliberately avoided attempting to rebut every silly or scurrilous story concerning health and safety rather focusing instead on major health and safety developments or other significant events.

The British Safety Council also played an active part as a member of the board of the Occupational Safety and Health Consultants Register Ltd (OSHCR) charged with the important task of ensuring that health and safety consultants are qualified, competent and a member of a relevant professional body. The intention underlying the voluntary register is to ensure that those businesses and organisations which use the services of health and safety consultants have access to a reliable source of advice to help them make an informed choice.

3.2 BUILDING UNDERSTANDING AND CAPABILITY

The British Safety Council delivered services including advice, training, audit and qualifications to build understanding and capability with our member organisations, their employees and other organisations in the UK and more than 50 countries.

The British Safety Council is proud to have funded the opportunity for all 14-19 year olds in full time education to gain a free accredited basic qualification in health and safety awareness and in doing so help properly prepare them for work experience, temporary work or their first job. In 2011 over 46,000 students from over 400 schools in the United Kingdom benefited from this initiative.

We also helped 34,000 young people not in education, employment or training gain a 'level 1' qualification in health and safety. For some of these young people this qualification has helped them considerably on the path to securing employment.

In 2011 we continued to provide our member organisations with the offer of one hundred free examinations leading to our level 1 award in health and safety at work. 35,000 employees from our member organisations benefited from this offering in 2011.

We continue to be one of the major health and safety training providers in the UK and in the year under review, the British Safety Council delivered over 10,000 delegate days of training. So, for example, we remain the largest provider of health and safety NVQs in the UK. 300 students successfully completed their NVQ studies with the British Safety Council in 2011. In total 4,181 students successfully completed health, safety and environmental training with the British Safety Council in 2011.

British Safety Council

Report of the trustees For the year ended 31 December 2011

The British Safety Council upgraded its e-learning platform during the year and 2011 saw the successful introduction of a portfolio of new online training courses including IOSH Managing Safely. There are plans to expand the on-line training portfolio with IOSH Working Safely set for a launch in early 2012.

Audits of safety and environmental management systems are often used to drive improvements in capability. Our Five Star audit scheme continues to prove popular as a respected and trusted means of subjecting health and safety management systems to independent expert third party verification. During the year 165 organisations successfully undertook our Five Star audit of health and safety management and environmental management. We are increasingly working with our Five Star member organisations to share their knowledge and expertise through our events and publications programmes.

Safety Management served as one of the main channels of communication with our member organisations and subscribers. The monthly magazine underwent a major overhaul in 2011 with the aim of tailoring the content more closely to our members' needs and expectations. In particular, we have tried to focus on capturing and publicising the work that our member organisations are doing to meet the challenges they face in managing the risk of injury and ill health in their workplaces. During the year, the focus of our publications shifted markedly to disseminating the good practice of our award winning members and updating our members and subscribers on major developments concerning our health and safety regulatory framework.

We also continue to produce A5 guides on the management of particular risks and information posters that are distributed to members and subscribers together with the monthly edition of *Safety Management*.

The British Safety Council continued to fund a number of health and safety training and education products and services in collaboration with the London Organising Committee for the Olympic Games (LOCOG). The intention underlying this allocation of around £1 million of our charitable funds is to help ensure that all of those working on the Games – including directors, managers, supervisors, employees and volunteers – have the knowledge and competence necessary to keep themselves, those competing in and attending the games healthy and safe and in doing so, make London 2012 the safest Olympic Games ever.

The initiatives we have funded include an extensive training programme for the directors and senior managers of London 2012 contractors concerning the responsibility they need to exercise and the leadership they need to demonstrate to help deliver the vision of the safest games ever. In addition, a film, fully funded by the British Safety Council and produced under our direction in 2011, will be used as part of the health, safety and security induction for some 200,000 volunteers and employees working on the London 2012 Games.

Importantly, we are working with LOCOG to ensure that all of the cutting edge health and safety management material and approaches we have helped develop, will have a legacy that lasts long after the last ball is kicked or medal awarded.

3.3 LEADERSHIP AND WORKFORCE ENGAGEMENT

An important way in which health, safety and environmental leadership can be promoted and workforce engagement encouraged is by using award schemes to publicise achievement and best practice. To this end both the British Safety Council's International Safety Award, with a history stretching back over 40 years, and the Sword of Honour, awarded for health and safety management excellence, were reviewed and improved in 2011. The Globe of Honour, awarded for excellence in environmental management, grew in stature in 2011 its second year of operation. Central to success in all three award categories is proven leadership, demonstrable competence in risk management and active workforce involvement.

The International Safety Award, awarded for proven commitment to high standards of health and safety management, was won by 547 organisations, with 33 organisations awarded a distinction. The 2011 International Safety Awards banquet was attended by over 800 guests. The keynote address was delivered by Bob Keiller from PSN Wood Group.

British Safety Council

Report of the trustees For the year ended 31 December 2011

The British Safety Council's Sword and Globe of Honour were awarded to 53 and 5 organisations respectively. The guest of honour and keynote speaker at the 2011 Sword and Globe of Honour luncheon was Sir John Armitt, the Chair of the Olympic Delivery Authority (ODA). Prior to the awards luncheon many of the Sword and Globe of Honour winners attended a best practice exchange to share their knowledge and experience of managing health, safety and environmental risks.

3.4 SHARING KNOWLEDGE AND EXPERIENCE

An important way in which we share knowledge and experience is through our well-established events programme which includes our own and partnered conferences both in the UK and other countries. These events – a series of briefings, seminars and conferences – enabled us to reach out not only to our member organisations but also to many other organisations and individuals with a responsibility for ensuring the health and safety of their employees and those they work with.

We ran breakfast briefings in 2011 in Aberdeen, Belfast, London and Manchester focusing on key risks faced by health, safety and environmental managers and on the UK government's planned reform of health and safety law. Our major conference of the year, held in London, concentrated again on the reforms of our health and safety system currently underway and on the challenges facing organisations to manage health and safety in a sensible and proportionate manner and constantly improve performance. Many of the speakers at our events were drawn from our own membership.

The British Safety Council was again the education partner to Western Business Exhibitions for their annual series of health and safety exhibitions and conferences. We supported four such events in 2011 – at Sandown Park, Surrey, Dublin, Edinburgh and Bolton. The seminars, built around topical issues, once again proved extremely popular with audiences reaching over 400, many of whom considered attendance important to their continuing professional development.

We continued to provide speakers, including our chair, chief executive and director of policy and communications, for major health and safety events both in the UK and abroad including Glasgow, London, Birmingham, Dubai, India, Netherlands, Qatar, South Africa, Spain, Turkey and India.

Some two-thirds of British Safety Council member organisations are drawn from the construction, energy generation and transmission, manufacturing and transport and distribution sectors. In 2011 we set up interest groups comprising member organisations drawn from these four sectors in order to provide a forum for engagement at a senior level on major health, safety and environmental issues and challenges. At the end of the year the inaugural meetings of both the construction and manufacturing sector interest groups had taken place with meetings of the energy generation and transmission and transport distribution sector interest groups planned for early 2012.

The British Safety Council continued to work closely with the ODA in helping to disseminate the best practice coming out of the construction projects many of which have been led by our member organisations.

We provided opportunities for key ODA leaders as Sir John Armitt, Howard Shiplee, Lawrence Waterman and Ros Seal, along with leaders from our member organisations such as BAM Nuttall, Barhale, Carey's, Carillion, Mace and McNicholas to share their experiences concerning the achievements across the London 2012 construction projects in preventing ill health and injury. We once again were asked to support the ODA's annual health, safety and environment awards and to help publicise the success that had been achieved in 2011.

3.5 CAMPAIGNING FOR SENSIBLE LEGISLATION, REGULATION AND APPLICATION

Effective and respected regulations are vital to ensuring good health and safety. Though our members in Britain, in the main, consider our current regulatory framework to be working well, our broad approach during the year was to support reforms providing they sustain existing standards and further reduce health and safety failures.

British Safety Council

Report of the trustees For the year ended 31 December 2011

The British Safety Council was closely involved in the change process in 2011 from the moment that the Government announced its plans for further reform in March, including the review of health and safety law led by Professor Ragnar Löfstedt, through to the publication of Government's response to the review findings in November

We influenced the direction of reform through our submission of detailed written evidence and in face-to-face meetings. What was clear from our meetings with Professor Löfstedt, and indeed with a wide range of key stakeholders, was the importance attached to our knowledge and expertise and importantly our strong membership base and the evidence we gathered from them. Our evidence, whether to Government or Parliament, is shaped by what our members tell us.

Other planned changes announced in March included plans to extend HSE's powers to enable it to recover 'fees for intervention' and a re-prioritisation of HSE and local authority enforcement activities. Other changes were already in place, including reform of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR) the review of which the British Safety Council contributed to.

The British Safety Council, as with the earlier review of health and safety undertaken the previous year by Lord Young, took the opportunity to consult with its UK members on the key questions that went to the heart of the Löfstedt review. The responses provided by our nearly 300 members to the questions posed by Professor Löfstedt and their more general views helped inform our written evidence submitted in July 2011. Our written evidence was supplemented by a face-to-face meeting with Professor Löfstedt attended by the chair, chief executive and head of policy and influencing of the British Safety Council.

In fact we had a number of other opportunities to engage with Professor Löfstedt at conferences and seminars including one organised by the Centre for Socio-Legal Studies at the University of Oxford on risk in early Autumn 2011.

While we made clear to the Löfstedt review that the vast majority of our members had great confidence in the effectiveness of our current regulatory framework for workplace health and safety in Great Britain, and did not support major reform, there was nonetheless a small but significant number who favoured regulatory simplification including the codification of sector specific regulations.

The British Safety Council also called for a greater focus on guidance supporting health and safety regulations and specifically accessible, comprehensible and expert guidance that meets the particular needs of small and micro businesses.

The findings of the Löfstedt review, together with the Government's response, were published in November 2011 at a meeting attended by us. As the year ended the British Safety Council, like many other organisations, was waiting to see the detail of the plans to implement the 26 recommendations contained in the Löfstedt report. In broad terms the British Safety Council gave its support to the main thrust of the review findings and pledged to play a full part in helping take the detailed recommendations forward.

The British Safety Council is committed to continue its campaigning work to help keep young people safe and healthy at work. *Speak up, Stay safe*, the British Safety Council's campaign launched with great success in 2010 was carried over into 2011. We continued to use social media including Facebook, Twitter, YouTube and blogs to promote the campaign and generate interest among a younger audience.

Our work to help create greater awareness among young people of the risks that they will face when moving into employment or work experience has already borne fruit both in the UK and internationally. Considerable interest has been shown in our campaign and support for young people to help them gain a free qualification in health and safety awareness. Presentations on our work were delivered at a number of international conferences.

4 SCOTTISH ACTIVITIES

Some specific Scottish activities we undertook involved a briefing with members in Aberdeen and being the education partner for the Health and Safety '11 Scotland exhibition and conference in Edinburgh. Both the Aberdeen and Edinburgh events were well attended with speakers drawn from our member organisations.

British Safety Council

Report of the trustees For the year ended 31 December 2011

based in Scotland such as Aker QServe, FirstGroup, Glasgow Housing and stakeholder partners as health and safety lawyers McGrigors LLP and Strathclyde Police and Fire & Rescue Service

The British Safety Council submitted evidence to the Commons Scottish Affairs Select Committee in connection with its enquiry into health and safety in Scotland. This enquiry came about partly as a result of a study by the National Audit Office's into the operational effectiveness of HSE in Scotland. Again as with other consultations, undertaken by the Government, Parliament or the regulator, we sought the views of our members operating in Scotland on the questions concerning the effectiveness of all aspects of the health and safety system operating in Scotland.

While there were a significant number of our members who considered the system in Scotland, including the law, regulation and enforcement, was working very effectively or effectively some expressed real concern that the impact of budget reductions on HSE would impact adversely on enforcement activity particularly in the agriculture and construction sectors and in remote rural areas.

Our written evidence was supplemented by our chief executive appearing in person before the Commons Scottish Affairs Committee which took a particular interest in issues concerning regulation, enforcement and prosecution. The report of this enquiry is due for publication in Spring 2012.

5 LOOKING AHEAD: OUR FUTURE PLANS

During the first half of 2012, the trustees and executive of the British Safety Council reviewed the organisation's strategy and corporate objectives in order to ensure that it continues to be a major force promoting sensible and proportionate workplace health and safety management, influencing future policy and law and helping to build expertise and competence.

By the end of the year the British Safety Council had made considerable progress in developing its planned manifesto setting out the steps it considers essential to help keep workers healthy and safe. While the British Safety Council recognises the great strides that have been made in the United Kingdom over the last forty years in significantly reducing the incidence and number of workplace injuries and work-related ill health occurrences much more needs to be done to protect individual workers and reduce the economic burden that costs an estimated £14 billion a year.

We will then be continuing our work in 2012 to better position the British Safety Council to deliver its vision and objectives expertly and efficiently. While 2011 has been a year of transition and change 2012 will be focused more clearly on rationalisation and consolidation. Our objectives for 2012 and beyond will be:

- Achieving OHSAS 18001 accreditation
- Delivering an acceptable surplus from our revenue generating activities
- Grow membership revenue by 15%
- Position the British Safety Council as a leading source of health, safety and environmental management expertise and knowledge and major influence on policy and law
- Grow international revenue with a particular focus on India, Middle East and Southern Africa
- Eliminate products and services with limited demand

6. GOVERNANCE, STRUCTURE AND MANAGEMENT

6.1 STRUCTURE

The British Safety Council group comprises the British Safety Council and two wholly owned subsidiaries, ComplyWise Ltd and British Safety Council Sales Ltd. The latter subsidiary is dormant. The report of the Trustees and consolidated financial statements cover the charitable entity and the two subsidiaries.

British Safety Council

Report of the trustees For the year ended 31 December 2011

6.2 OUR BOARD AND MANAGEMENT

Our board of trustees is currently made up of 12 trustees who are also members and directors of the charitable company (the Charity). They set our strategic direction and are responsible for making sure we uphold our values and governance, and deliver our objectives. They guide, advise and support the chief executive officer (CEO), decide how we spend our money and approve our budgets. They review a schedule of matters reserved to them and delegate certain responsibilities to board committees and the executive team, outlined below.

The trustees have delegated management of the British Safety Council to the CEO who reports on the performance against the strategic plans and budget approved by the trustees. The CEO is supported by the executive team who are responsible for discrete organisational functions.

The British Safety Council has reviewed and adopted the principles outlined in the *Code of Good Governance*.

The board of trustees exercise oversight and assurance role through a range of means. Our board is structured as follows:

- **Board of trustees**
The main board of trustees meet quarterly to review performance in year and to shape the longer term future of the organisation in partnership with the CEO and executive team.
- **Audit and risk committee**
The audit & risk committee meets quarterly. The committee's assurance role spans the wider control environment for the organisation, including all externally validated standards and evidence of organisational effectiveness.
- **Investment committee**
The investment committee meets bi-annually to review the charity's reserves policy, investment strategy and performance of the investment fund.
- **Policy and research committee**
The policy and research committee meets bi-annually to agree policy positions to underpin our influencing and engagement activities and all public pronouncements in our own publications or the media.
- **Awards committee**
The awards committee meets bi-annually to oversee the activities of our Ofqual-recognised awarding body. The administration of the international safety award and best practice award schemes (sword and globe of honour) are also overseen by this committee.
- **Remuneration and nomination committee**
The remuneration committee meets in January and July and additionally as required. With regard to remuneration the role of the committee is to agree the framework or broad policy for the remuneration of the chief executive, and, with the advice of the chief executive, the terms and conditions of those who report directly to them. In addition, the committee reviews and notes annually the remuneration trends across the organisation and oversees any major changes in employee benefits structures. It also monitors executive performance.

With regard to nomination, the role of this committee is to regularly review the structure, size and composition including the skills, knowledge and experience required of the board compared to its current position, and to make recommendations to the board with regard to any changes. All of the trustees have been appointed through personal recommendation or public advertisements, followed by interview.

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

Report of the trustees For the year ended 31 December 2011

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

RISK MANAGEMENT

The trustees are responsible for charity's risk management and the effectiveness of internal control systems. As part of British Safety Council's regular procedures the trustees and executive examine and review the major risks to which British Safety Council 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 used in the day-to-day running of the organisation and specifically discussed at monthly senior management team meetings. They are presented quarterly at the audit & risk committee and annually to the board. At the time of approving the report of trustees and financial statements, the top organisational risk was the impact of the economic environment on our primary purpose trading activities.

Financial risk management

Our activities expose us to a number of financial risks including credit risk, market risk, cash flow risk and liquidity risk. We did not use any financial derivatives during the year under review.

Credit risk

Our principal financial assets are bank balances, investments, trade and other receivables. Our credit risk is primarily attributable to bank balances and a policy is in place to limit the amount held with any one banking group and to constantly review their credit ratings.

Market risk

Our investments are subject to market movements and have shown realised and unrealised gains in the year. We have reviewed our investment policy as explained in the investment policy section on page 19.

Foreign exchange risk

Our primary purpose trading activities expose us to some risk of changes in foreign currency exchange rates. We generally create a natural hedge by denominating our income and expenditure in the same currency, specifically, where possible we denominate income contracts in British pounds. We did not use foreign exchange forward contracts during the year.

Liquidity risk

The current economic climate has emphasised the need to ensure we are able to meet our liabilities as and when they fall due. We have continued to direct considerable effort to improving our cash flow management and forecasts.

FINANCIAL REVIEW (GROUP)

Incoming resources for the year totalled £8,386,656 which is £1,061,497 less than 2010. Expenditure for 2011 was £9,986,468 a decrease of £1,117,531 reflecting the significant reduction in incoming resources. Prior to losses on investment assets and the cost associated with the historical pension scheme, there were net outgoing resources in the year of £1,599,812. With losses in investment funds of £634,595 and an actuarial loss in the legacy pension scheme of £138,000 the overall decrease of funds in the year was £2,372,407 compared with a decrease of £874,815 in 2010.

In order to fairly present the activities of the British Safety Council we have summarised our financial results into 5 categories:

- Improving organisational performance through information and recognition,
- Improving individual's capability through qualifications and assessments,
- Enhancing organisation's performance through auditing and advisory,
- Improving individuals performance through education and training, and
- Influencing the health and safety agenda

These categories represent all the activities outlined earlier in this document.

British Safety Council

Report of the trustees For the year ended 31 December 2011

The summary of the financial results, as set out below, should be read in conjunction with the financial statements on pages 16 – 18 and related notes

	2011 £	2010 £
Improving organisation performance through information & recognition	555,659	910,410
Improving individual's capability through qualifications & assessments	(795,018)	(841,083)
Enhancing organisations performance through auditing & advisory	(346,591)	(494,029)
Improving individual's performance through education & training	(956,696)	(1,079,904)
Influencing the H&S agenda	(328,912)	(389,907)
Net (outgoing) resources before investment income, investment management and governance costs	(1,871,558)	(1,894,513)
Investment income	370,429	358,534
Investment management costs	(53,036)	(38,603)
Governance costs	(45,647)	(81,263)
Net (outgoing) resources before other recognised gains and losses	(1,599,812)	(1,655,845)
(Losses)/Gains on investment assets	(634,595)	1,439,030
Actuarial (losses) on defined benefit pension scheme	(138,000)	(658,000)
Net (decrease) in funds	(2,372,407)	(874,815)

Improving organisation performance through information and recognition generated income of £1,873,131 from membership, our events and awards and publications. This was 20% less mainly due to a decrease in membership revenue, reflecting challenging economic conditions. Overall expenditure in 2011 fell by 8% to £1,317,472 due to the reduction in income.

Incoming resources from *Improving individual's capability through qualifications and assessments* have decreased by £11,648 to £263,025. The main reason behind this is fewer candidates sitting level 3 and level 6 examinations. Expenditure was £1,058,043 in 2011, £57,713 less than the previous year due to decreased activity in the provision of free level 1 assessments.

Incoming resources from activities relating to our aim of *Enhancing organisations performance through auditing and advisory* are from the fees charged for the provision of audit and advisory services. Income of £2,011,022 was down by £154,091 in 2011 reflecting reduced demand for these services. Expenditure fell at a slightly higher rate than income to £2,357,613 due to better utilisation of full-time delivery staff.

Incoming resources from activities relating to our aim of *Improving individual's performance through education and training* are from the fees charged for the provision of training and e-learning solutions. Income of £3,869,049 was down by £436,989 in 2011 and reflected a reduced demand for these services. Expenditure decreased by £560,197 to £4,825,745, again due to a better utilisation of full-time delivery staff in 2011.

Expenditure incurred to support *Influencing the health and safety agenda* fell by 16%. The activities and staff to resource this in year cost £328,912 compared with £389,908 due to a streamlining of activities.

The British Safety Council received investment income of £370,429 in 2011 which was up by £11,895 from the previous year. This is primarily due to higher dividend yields on investments. The recognised losses on the investment portfolio were £634,595 which reflected poor market conditions.

The FRS17 pension provision decreased by £520,000 to £138,000 in the year. The last triennial actuarial review of the scheme was completed as at 1 October 2009.

British Safety Council

Report of the trustees For the year ended 31 December 2011

Assets

The British Safety Council owns the freehold of its head office building in West London. The office provides accommodation for carrying out training courses, conferences and administrative activities. The land and buildings have been included in the accounts at a carrying value of £2,061,242.

The British Safety Council has invested in equities and fixed interest stocks. On 31 December 2011 the value of the portfolio was approximately £10 million.

Goodwill

Goodwill represents the excess of the cost of acquisition of ComplyWise Ltd over the fair value of the tangible assets acquired. The acquisition took place in November 2008. Goodwill is capitalised and reviewed annually for impairment. It is carried at cost less amortisation and accumulated impairment losses.

Following an impairment review under FRS 11 in 2009, the goodwill related to the ComplyWise Ltd acquisition was determined as £1.3 million as at 31 December 2009. An impairment review was once again undertaken in 2011 and no further impairment is proposed. Goodwill of £162,500 was amortised during the year leaving a goodwill balance of £975,000 at 31 December 2011.

Reserves

The reserves at 31 December 2011 were

	2011 £	2010 £
Designated funds		
- London 2012 Olympic support	575,238	994,858
- Level 1/ Entry assessment fee support	429,238	689,001
- Fixed asset reserve	3,422,465	3,266,512
- Goodwill	975,000	1,137,500
Other unrestricted funds	8,324,567	10,063,045
Total funds excluding pension reserve	13,726,508	16,150,916
Pension reserve	(1,748,000)	(1,792,000)
Total funds	11,978,508	14,358,916

The reserves provide financial and operational stability. This in turn enables the group to better meet its charitable objects. The reserves policy is reviewed annually by the board of trustees. It has 3 elements:

- Part of the charity's reserves shall be designated in respect of the charity's fixed assets, goodwill on acquisitions and such charitable initiatives as the board may approve. Details of the designated reserves are set out above and in note 13 in the accounts,
- The charity shall maintain free reserves at a level no less than a minimum level approved by the board. This minimum level is set at £5 million and is intended to provide support for the charity's obligations and its pension scheme in adverse circumstances, and
- The charity shall continue to maintain free reserves at a level in excess of the minimum for the following reasons:
 - The charity's reliance on the reserves backed by the investment fund to provide on-going funding for its free qualification initiatives indicates a need for the investment fund to be at its current level,
 - The investment fund, which essentially backs part of the designated reserves and all of the minimum level of free reserves may fluctuate in value, and
 - The charity desires to maintain organisational stability and the ability to respond rapidly to major opportunities and challenges.

British Safety Council

Report of the trustees For the year ended 31 December 2011

The board designated reserves totalling £5,401,941. This consists of £575,238 to support health and safety for the 2012 London Olympics and £429,238 for the provision of free assessments for the new Level 1 certificate in health and safety at work and the entry level qualification. There are also two further designated funds to match the net book value of the fixed assets (£3,422,465) and the ComplyWise Ltd goodwill (£975,000).

Remaining unrestricted funds (excluding the pension reserve) amount to £8,324,567. Note 13 provides further information about the designated and unrestricted reserves. This level of reserves is reviewed regularly by the board of trustees.

Investment Policy

The investment policy is governed by the Trustee Act 2000 and in accordance with the articles of association. Under these, the British Safety Council enjoys wide investment powers, specifically 'to

- Deposit or invest funds and to invest money,
- Employ a professional fund manager, and
- Arrange for the investments or other property of the charity to be held in the name of a nominee,

In the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000'

These powers are controlled by the Investment Committee, which under its terms of reference, subject to such consultation and guidance as necessary, act for and advise and report to the Board of Trustees on all matters concerning the management of the charity's investments.

Trustees' responsibilities for the consolidated financial statements

The trustees (who are also directors of the British Safety Council for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

British Safety Council

Report of the trustees For the year ended 31 December 2011

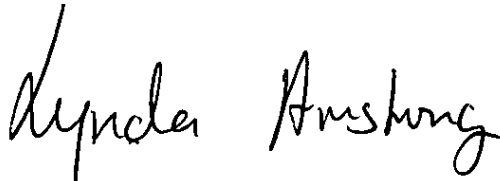
In so far as the trustees are aware

- 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

PKF (UK) LLP were appointed as auditors in accordance with section 485 (4) of the Companies Act 2006



Lynda Armstrong on behalf of the board

The annual report was approved by the Board on 7th August 2012 and signed on its behalf on 7th August 2012

British Safety Council

Auditor's Report For the year ended 31 December 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE BRITISH SAFETY COUNCIL

We have audited the group and parent charity financial statements ("the financial statements") of the British Safety Council for the year ended 31 December 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance sheets, the Consolidated Cash Flow Statement and the related notes. 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).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with regulations made under section 44 of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters we are required to state to them in an auditor's 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 charity, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also directors of the 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. We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the groups' and parent charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2011 and of the group's 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 Charities and Trustee Investment Scotland Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

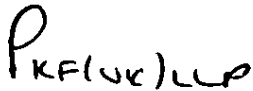
British Safety Council

Auditor's Report For the year ended 31 December 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate and proper accounting records have not been kept in respect of the parent charity returns adequate for our audit have not been received from branches not visited by us
- the parent charity financial statements do not accord with the accounting records
- certain disclosures of trustee's remuneration specified by law are not made
- any information or explanation to which we are entitled has not been afforded to us

 PKF(UK)LLP

**Ian Mathieson (senior statutory auditor)
for and on behalf of PKF (UK) LLP, statutory auditor**

London, UK

PKF (UK) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

13 AUGUST 2012

British Safety Council

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) For the year ending 31 December 2011

	Note	2011 £	2010 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	2	370,429	358,534
Incoming resources from charitable activities			
Improving organisation performance through information, recognition		1,873,131	2,343,795
Improving individual's capability through qualifications, assessments		263,025	274,673
Enhancing organisations performance through auditing & advisory		2,011,022	2,165,113
Improving individual's performance through education & training		3,869,049	4,306,038
TOTAL INCOMING RESOURCES		8,386,656	9,448,153
RESOURCES EXPENDED			
Cost of generating funds			
Investment management costs		(53,036)	(38,603)
Costs of charitable activities			
Improving organisation performance through information, recognition		(1,317,472)	(1,433,385)
Improving individual's capability through qualifications, assessments		(1,058,043)	(1,115,756)
Enhancing organisations performance through auditing & advisory		(2,357,613)	(2,659,143)
Improving individual's performance through education & training		(4,825,745)	(5,385,942)
Influencing the health and safety agenda		(328,912)	(389,908)
Governance costs		(45,647)	(81,263)
TOTAL RESOURCES EXPENDED	3	(9,986,468)	(11,103,999)
NET (OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		(1,599,812)	(1,655,845)
OTHER RECOGNISED (LOSSES) AND GAINS			
(Losses)/Gains on investment assets	8	(634,595)	1,439,030
Actuarial losses on defined benefits pension scheme	16	(138,000)	(658,000)
NET MOVEMENT IN FUNDS		(2,372,407)	(874,815)
Total funds brought forward at 1 January		14,350,915	15,225,730
Total funds carried forward at 31 December		11,978,508	14,350,915

All of the above results are derived from continuing activities. The deficit for the year for Companies Act purposes was (£881,553) (2010 £1,121,089). The accompanying accounting policies and notes form an integral part of these financial statements.

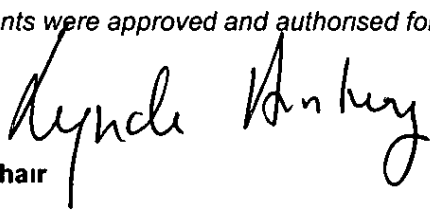
British Safety Council

Balance Sheet For the year ended 31 December 2011

		Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed Assets					
Goodwill	6	975,000	1,137,500	-	-
Tangible assets	7	3,422,467	3,266,512	3,422,467	3,266,512
Investments	8	10,048,729	12,944,462	11,187,228	14,081,962
		14,446,196	17,348,474	14,609,695	17,348,474
Current Assets					
Stock		21,831	16,766	21,831	16,766
Debtors	9	981,592	1,579,143	1,082,630	1,529,514
Bank & Cash		1,298,155	1,069,057	1,181,037	799,563
		2,301,578	2,664,966	2,285,498	2,345,843
Creditors: amounts falling due within one year	10	(3,021,267)	(3,870,525)	(2,725,865)	(3,560,893)
Net current liabilities		(719,688)	(1,205,559)	(440,367)	(1,215,050)
Creditors: amounts falling due after more than one year	11	-	-	(415,000)	-
Total net assets excluding pension liability		13,726,508	16,142,915	13,754,328	16,133,424
Pension liability	16	(1,748,000)	(1,792,000)	(1,748,000)	(1,792,000)
NET ASSETS		11,978,508	14,350,915	12,006,328	14,341,424
Funds	13				
Designated funds		5,401,941	6,087,871	5,565,440	4,950,371
Unrestricted funds		8,324,567	10,055,044	8,188,887	11,183,053
Total funds excluding pension liability		13,726,508	16,142,915	13,754,327	16,133,424
Pension reserve		(1,748,000)	(1,792,000)	(1,748,000)	(1,792,000)
TOTAL FUNDS		11,978,508	14,350,915	12,006,327	14,341,424

The financial statements were approved and authorised for issue on 7 August 2012

Lynda Armstrong, chair



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

Company number 04618713

British Safety Council

Consolidated cash flow statement For the year ended 31 December 2011

	2011 £	2010 £
Consolidated cash flow statement		
Net cash (outflow) from operating activities	(1,980,308)	(1,114,664)
Investment income	370,429	358,534
Returns on investments and servicing of finance	370,429	358,534
Purchase of tangible fixed assets	(422,222)	(366,074)
Purchase of investments	(174,720)	(1,845,120)
Proceeds from sale of investments	2,435,919	2,916,917
Capital expenditure and financial investment	1,838,977	705,723
Payments to acquire investments in subsidiary undertakings - ComplyWise Ltd	-	(81,847)
Acquisitions and disposals	-	(81,847)
Increase/(Decrease) in cash in the year	229,098	(132,254)
Analysis of net cash (outflow)/inflow from operating activities		
Net (outgoing) resources before other recognised gains and losses	(1,599,812)	(1,655,845)
Investment income	(370,429)	(358,534)
Depreciation charge	266,269	265,013
Goodwill amortisation	162,500	162,500
(Decrease) in pension liability	(182,000)	(127,000)
(Increase) in stock	(5,065)	(5,653)
Decrease in debtors	597,487	667,513
(Decrease) in creditors	(849,258)	(62,658)
	(1,980,308)	(1,114,664)
Analysis of change in funds		
Cash in bank and at hand at 1 January	1,069,057	1,201,310
Cash flow for the year	229,098	(132,254)
Cash in bank and at hand at 31 December	1,298,154	1,069,056

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

1 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been 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 has taken exemption from presenting its unconsolidated Statement of Financial Activities under section 408 of Companies Act 2006.

Going concern

The board consider that it is appropriate to adopt the going concern basis in the preparation of these financial statements on the basis of the future prospects of the business which have been detailed within the report of the trustees.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are funds which are to be used in accordance with specific decisions made by the board. They are reviewed annually. In addition the board designate funds to match the net book value of tangible fixed assets and goodwill.

Tangible fixed assets and depreciation

All fixed assets are held at historical cost except investments which are held at market value except for subsidiaries. Tangible fixed assets (usually over a value of £1,000) are depreciated off at the following rates:

Freehold buildings - 70 Chancellors Road	over 40 years
Office refurbishment	12.5 years
Office furniture and fittings	4 - 10 years
Computer hardware and software	4 - 8 years

Freehold land is not depreciated.

Acquisitions

Assets and liabilities are recorded at fair value with excess purchase price recorded as goodwill. This treatment is as per FRS 7, fair values in acquisition accounting, which ensures that all the assets and liabilities that existed in the acquired entity at the date of acquisition are recorded at fair values reflecting their condition at the date of acquisition.

Investments

Investments are included in the balance sheet at market value except for subsidiaries. The market value of listed investments is taken as the stock exchange mid-market value at the balance sheet date. Any gain or loss on revaluation is credited/charged to the statement of financial activities (SOFA).

Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated amortisation and impairment losses. Amortisation of goodwill is charged to the SOFA on a straight line basis over its considered useful life. This is currently considered to be eight years.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

Stock

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

Incoming resources

Training courses, audit services, qualifications and publications are recognised on a receivable basis. Fees received in advance, relating to future periods are carried forward in the balance sheet as deferred income.

Licence fee income is recognised on a receivable basis and subscriptions, receivable on varying dates throughout the year, are apportioned on a time basis, the proportion received in advance being carried forward in the balance sheet.

Investment income is recognised on a receivable basis.

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.

Governance costs include 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 resources and company secretary.

Operating leases

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

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.

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, adjusted for deferred tax, 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. 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.

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.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the income statement in the period in which they arise.

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

2. INVESTMENT INCOME

	2011 £	2010 £
From UK investments		
Deposit interest	865	20,022
Equities	240,656	211,606
Unit trusts	65,632	48,241
Fixed interest company bonds	47,937	62,348
	<u>355,090</u>	<u>342,217</u>
UK quoted securities		
Overseas investment trusts	15,339	12,990
Overseas unit trusts	-	3,328
	<u>370,429</u>	<u>358,534</u>

3 BREAKDOWN OF RESOURCES EXPENDED (GROUP)

	Direct staff costs £	Direct costs £	Overhead costs £	2011 Total £	2010 Total £
Charitable activities					
Improving organisation performance through information & recognition	428,690	542,634	346,148	1,317,472	1,433,385
Improving individual's capability through qualifications & assessments	433,660	278,234	346,148	1,058,043	1,115,756
Enhancing or organisations performance through auditing & advisory	980,268	851,199	526,146	2,357,613	2,659,143
Improving individuals' performance through education & training	1,748,494	2,218,803	858,448	4,825,745	5,385,942
Influencing the Health & Safety agenda	170,361	59,652	98,900	328,912	389,908
Investment management costs	-	53,036	-	53,036	38,603
Governance	-	43,175	2,472	45,647	81,263
Total resources expended	<u>3,761,472</u>	<u>4,046,733</u>	<u>2,178,262</u>	<u>9,986,468</u>	<u>11,103,999</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

Overhead cost allocations – Support and governance cost

	Improving organisation performance through information & recognition	Improving individuals' capability through qualifications & assessments	Enhancing organisations performance through auditing & advisory	Improving individuals' performance through education & training	Influencing the H&S agenda	Governance	Total Costs
	£	£	£	£	£	£	£
Management and administration	120,215	120,215	182,727	298,134	34,347	859	756,497
Human resources	34,558	34,558	52,528	85,703	9,874	247	217,468
Additional pension scheme costs	15,362	15,362	23,351	38,099	4,389	110	96,673
Finance	108,380	108,380	164,738	268,782	30,966	775	682,022
IT	67,633	67,633	102,802	167,729	19,324	482	425,602
Total	346,148	346,148	526,146	858,447	98,900	2,473	2,178,262

Overheads were all allocated on the basis of head count

Support costs include the following:

	2011 £	2010 £
Depreciation	266,268	265,013
Support staff costs	1,425,767	1,095,862
Operating lease rentals	62,428	71,842

Governance costs include the following:

Auditor's remuneration (all fees relate to auditing the accounts)	25,105	24,500
Trustees expenses	6,831	-
Venue hire, secretarial, travel, other	13,711	-

4. STAFF COSTS (GROUP)

Staff costs during the year were as follows

	2011 £	2010 £
Wages and salaries	4,501,457	4,401,690
Redundancy costs	84,295	64,307
Social security costs	444,052	415,515
Other pension costs	86,921	72,300
FRS 17 pension adjustments	94,000	90,000
Total	5,210,725	5,043,812

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

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

	2011 Number	2010 Number
Improving organisation performance through information & recognition	14	12
Improving individual's capability through qualifications & assessments	14	13
Enhancing organisations performance through auditing & advisory	4	3
Improving individuals' performance through education & training	36	40
Influencing the H&S agenda	20	25
Supporting activities	19	13
	107	106

At 31 December 2011 the number of staff employed by the group was

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

	2011 Number	2010 Number
£60,001 - £70,000	6	5
£70,001 - £80,000	2	4
£80,001 - £90,000	1	2
£90,001 - £100,000	2	-
£120,001 - £130,000	1	1
	12	12

No employees earning £60,000 or more (2010 3) were members of the defined benefit pension scheme

7 employees earning £60,000 or more (2010 5) were members of the defined contribution pension scheme, and contributions amounting to £26,624 (2009 £19,781) were paid on their behalf

5. TRUSTEES EXPENSES

The trustees received no remuneration for their services to the Council during the period. Indemnity insurance is provided for Trustees. The premium paid during the year amounted to £2,638 (2010 £3,367).

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

6 GOODWILL (GROUP)

	£
Cost or valuation	
Acquisition net of reduction in earnout	2,757,783
Less impairment provision	(1,247,658)
Cost at 31 December 2010 & 2011	<u>1,510,125</u>
Amortisation	
At 1 January 2011	372,625
Provided in the year	162,500
	<u>535,125</u>
Net book value at 31 December 2011	<u>975,000</u>
Net book value at 31 December 2010	<u>1,137,500</u>

Under FRS 11 an impairment review was required to be undertaken at December 2011. A valuation was undertaken using the discounted cash flow method. A discount rate of 21% and a terminal value of around £1.4 million after 5 years was used. No impairment charge has arisen as a result of this review.

7 TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Freehold land and buildings £	Office refurbish- ment £	Office furniture equipment £	Computer equipment £	Total £
Cost	3,012,500	1,398,471	320,315	508,493	5,239,779
Additions	-	-	-	422,222	422,222
At 31 December 2011	<u>3,012,500</u>	<u>1,398,471</u>	<u>320,315</u>	<u>930,715</u>	<u>5,662,001</u>
Depreciation					
At 1 January 2011	918,755	596,779	266,380	191,353	1,973,267
Provided in year	32,503	103,394	22,404	107,968	266,269
At 31 December 2011	<u>951,258</u>	<u>700,173</u>	<u>288,784</u>	<u>299,321</u>	<u>2,239,536</u>
Net book value at 31 December 2011	<u>2,061,242</u>	<u>698,298</u>	<u>31,531</u>	<u>631,394</u>	<u>3,422,465</u>
Net book value at 31 December 2010	<u>2,093,745</u>	<u>801,692</u>	<u>53,935</u>	<u>317,140</u>	<u>3,266,512</u>

The freehold land and buildings are used for carrying out charitable activities and function as the head office of the group.

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

8. INVESTMENTS

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Market value of 1 January	12,944,462	12,577,229	14,081,962	13,877,229
Acquisitions at cost	174,720	1,845,120	174,720	1,845,120
Disposal at carrying value	(2,435,919)	(2,916,917)	(2,434,920)	(2,916,917)
Net Gains realised and on revaluation at 31 December	<u>(634,534)</u>	<u>1,439,030</u>	<u>(634,534)</u>	<u>1,276,530</u>
Market value at 31 December	<u>10,048,729</u>	<u>12,944,462</u>	<u>11,187,228</u>	<u>14,081,962</u>
UK quoted securities				
Equities	5,050,792	6,415,807	5,050,792	6,414,808
Fixed interest bonds	662,688	847,235	662,688	847,235
Investment trusts	430,057	605,724	430,057	605,724
Public sector fixed interest	535,775	506,133	535,775	506,133
Unit trusts	1,571,481	2,104,417	1,571,481	2,104,417
Total UK quoted securities	<u>8,250,793</u>	<u>10,479,316</u>	<u>8,250,793</u>	<u>10,478,317</u>
UK quoted overseas securities				
Unit trusts	382,498	292,227	382,498	292,227
Investment trusts	1,415,438	2,172,919	1,415,438	2,172,919
Total UK quoted overseas securities	<u>1,797,936</u>	<u>2,465,146</u>	<u>1,797,936</u>	<u>2,465,146</u>
Investment in subsidiaries	<u>-</u>	<u>-</u>	<u>1,138,499</u>	<u>1,138,499</u>
Total value at 31 December	<u>10,048,729</u>	<u>12,944,462</u>	<u>11,187,228</u>	<u>14,081,962</u>
Historical cost at 31 December	<u>8,220,105</u>	<u>10,648,811</u>	<u>9,196,104</u>	<u>13,148,811</u>

There were no quoted security holdings with a market value of greater than 5% of the total portfolio at 31 December 2011

The charity has two 100% owned subsidiaries, British Safety Council Sales Ltd which is not trading and ComplyWise Ltd, which are both registered in England and Wales. Summary results of the subsidiaries are shown overleaf

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

Subsidiaries	British Safety Council Sales Ltd	ComplyWise Ltd
	2011 £	2011 £
Income and Expenditure		
Turnover	-	682,258
Cost of Sales & administrative expenses	-	(719,568)
Net Loss	-	(37,310)
Gift Aid to British Safety Council	-	-
Net movement in funds/net income	-	(37,310)
Balance Sheets		
Goodwill	-	975,000
Debtors	2,001	551,632
Cash at Bank and in Hand	2,591	114,526
Creditors amounts falling due less than one year	(4,592)	(530,479)
Net Assets	-	1,110,680
Ordinary Shares	999	2,748,411
Profit & Loss Account	(999)	(1,637,731)
Equity shareholders' funds	-	1,110,680

9. DEBTORS

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Trade debtors	851,627	1,505,734	736,818	1,335,508
Other debtors	17,222	13,904	15,221	13,894
Due from subsidiary undertaking	-	-	239,671	122,609
Prepayments and accrued income	112,743	59,505	90,920	57,504
	<u>981,592</u>	<u>1,579,143</u>	<u>1,082,630</u>	<u>1,529,514</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Trade creditors	668,172	797,067	665,857	784,954
Other creditors	12,894	15,049	12,894	14,992
Due to subsidiary undertaking	-	-	-	-
Taxation and social security	178,356	236,232	178,356	192,041
Accruals	450,252	655,549	415,874	635,217
Deferred income	1,711,592	2,156,627	1,452,884	1,933,690
	<u>3,021,266</u>	<u>3,860,524</u>	<u>2,725,865</u>	<u>3,560,893</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Due to subsidiary undertaking	-	-	415,000	-

12. DEFERRED INCOME

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Deferred income as at 1 January	2,156,627	2,548,496	1,933,690	2,310,616
Deferred incoming resources	6,490,221	8,056,850	5,972,729	7,592,577
Release of deferred income	(6,935,256)	(8,448,719)	(6,681,548)	(7,969,503)
Deferred income as at 31 December	<u>1,711,592</u>	<u>2,156,627</u>	<u>1,224,871</u>	<u>1,933,690</u>

13. SUMMARY OF MOVEMENTS IN FUNDS (GROUP)

	1 January 2011 £	Incoming resources £	Resources expended £	Actuarial loss £	Investment Loss £	Transfers £	At 31 December 2011 £
Unrestricted funds	10,055,044	8,386,656	(9,156,831)	-	(634,595)	(325,707)	8,324,567
Designated Funds							
ComplyWise Ltd	1,137,500	-	(162,500)	-	-	-	975,000
Fixed asset designated fund	3,266,512	-	(266,269)	-	-	422,222	3,422,465
London 2012 Olympic support	994,858	-	(237,261)	-	-	(182,359)	575,238
Entry and Level 1 initiatives	689,001	-	(345,607)	-	-	85,844	429,238
	<u>6,087,871</u>	-	<u>(1,011,637)</u>	-	-	<u>325,707</u>	<u>5,401,941</u>
Pension reserve	(1,792,000)	-	182,000	(138,000)	-	-	(1,748,000)
Total funds	<u>14,350,915</u>	<u>8,386,656</u>	<u>(9,986,468)</u>	<u>(138,000)</u>	<u>(634,595)</u>	-	<u>11,978,508</u>

DESIGNATED FUNDS – FURTHER INFORMATION

ComplyWise Ltd

This designation matches the current valuation of the goodwill relating to the investment in ComplyWise Ltd

Fixed asset designated fund

This matches the net book value of the fixed assets at the financial year end. In the year there were £422,222 worth of fixed asset additions and a depreciation charge of £266,269. £422,222 was transferred from the unrestricted funds to cover the increase in the closing net book value of the assets at year end.

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

London 2012 Olympic support

These funds were designated by the Board in 2005 to ensure that the Olympic Games will be the safest ever by working with partners such as the London organising committee of the Olympic and Paralympic games (LOCOG) and the ODA to develop a training programme for venue staff. There was a reduction in total Olympic support designated fund commitment from £994,858 to £575,238 in 2011. As a consequence £182,359 was transferred back into the unrestricted fund.

Entry and Level 1 initiatives

These funds have been designated to support the training of recipients such as school children and NEETS by providing free Level 1 certificates in health & safety at work. The board currently follow an approach of designating funds equal to the next years budgeted spend in this area, thus £85,844 was transferred from the Unrestricted funds in 2011. The continuing programme is reviewed annually.

ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

Fund balances at 31 December 2011 are represented by	Unrestricted funds £	Designated funds £	Pension reserve £	Total funds £
Goodwill	-	975,000	-	975,000
Tangible fixed assets	-	3,422,465	-	3,422,465
Investments	10,048,729	-	-	10,048,729
Current assets/liabilities	(1,724,162)	1,004,476	-	(719,686)
Pension liability	-	-	(1,748,000)	(1,748,000)
Total funds	8,324,567	5,401,941	(1,748,000)	11,978,508

14. CAPITAL COMMITMENTS

At the period end, British Safety Council had entered into commitments amounting to £nil (2010 £nil)

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2011 (2010 £nil)

16. 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. The scheme is closed and no future benefits are accruing.

The triennial actuarial valuation of the scheme was carried out as at 1 October 2009. This has been updated to 31 December 2011 by a qualified actuary.

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

The principal actuarial assumptions used as at the balance sheet date were

	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007
Discount rate	4.70	5.30	5.80	6.50	5.90
Inflation assumption	3.20	3.60	3.60	2.70	3.40
Pension escalation in payment	3.20	3.60	3.60	3.00	3.40
Pensionable salary growth	n/a	n/a	n/a	4.20	4.90

Assumed life expectancy in years, on retirement at 65

	31 December 2011	31 December 2010
Retiring today		
Males	24.0	23.8
Females	26.0	25.9
Retiring in 20 years		
Males	26.0	25.9
Females	27.2	27.1

The following mortality rates represent the probability of a person age x exactly dying within one year

Age	Males	Females
30	0.00033	0.00019
40	0.00052	0.00041
50	0.00138	0.00104
60	0.00441	0.00278

Amounts recognised in the SOFA are as follows

	2011 £	2010 £
Included in expenditure		
Current service costs	15,000	22,000
Interest on obligations	199,000	169,000
Expected return on assets	(120,000)	(101,000)
	<u>94,000</u>	<u>90,000</u>

The amounts recognised in the SOFA were included in the *Enhancing Performance* activity category

Fair value of scheme assets	2,372,000	1,965,000
Present value of scheme liabilities	(4,120,000)	(3,757,000)
(Deficit) in the scheme	<u>(1,748,000)</u>	<u>(1,792,000)</u>
Related deferred tax asset/(liability)	-	-
Net (liability)	<u>(1,748,000)</u>	<u>(1,792,000)</u>

The movement in the deficit for the period was

Deficit in the scheme at the beginning of the period	(1,792,000)	(1,261,000)
<i>Movement in the period</i>		
Current service cost	(15,000)	(22,000)
Contributions paid by employer	276,000	217,000
Net return on assets	120,000	101,000
Interest on obligations	(199,000)	(169,000)
Actuarial (loss)	(138,000)	(658,000)
Deficit in the scheme at the end of the period	<u>(1,748,000)</u>	<u>(1,792,000)</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

Changes in the present value of the defined benefit obligations are as follows

	2011 £	2010 £
Opening defined benefit obligation at 1 December	(3,757,000)	(2,961,000)
Current service cost	(15,000)	(22,000)
Interest cost	(199,000)	(169,000)
Actuarial losses	(172,000)	(705,000)
Benefits paid	23,000	100,000
Closing defined benefit obligation at 31 December	<u>(4,120,000)</u>	<u>(3,757,000)</u>

As no further benefits are accruing under the scheme, the service cost disclosed as at 31 December 2011 has been restricted to the expenses payable for running the scheme plus death in service insurance premiums over the accounting period

Changes in the fair value of plan assets are as follows

	2011 £	2010 £
Opening fair value of plan assets	1,965,000	1,700,000
Expected return on assets	120,000	101,000
Actuarial gains and losses	34,000	47,000
Contributions by employer	276,000	217,000
Benefits paid	(23,000)	(100,000)
Closing fair value of scheme assets	<u>2,372,000</u>	<u>1,965,000</u>

The organisation expects to contribute £252,000 to the British Safety Council pension scheme in the next accounting period

The amounts for the current and previous four periods are as follows

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit obligations	(4,120,000)	(3,757,000)	(2,961,000)	(2,318,000)	(3,499,000)
Scheme assets	2,372,000	1,965,000	1,700,000	1,878,000	2,649,000
Deficit	<u>(1,748,000)</u>	<u>(1,792,000)</u>	<u>(1,261,000)</u>	<u>(440,000)</u>	<u>(850,000)</u>
Experience adjustment arising from scheme liabilities	2,000	24,000	(133,000)	66,000	(23,000)
Experience adjustment arising from scheme assets	34,000	47,000	(19,000)	(580,000)	173,000

17. LEASING COMMITMENTS

As at 31 December 2011, the annual commitments under non-cancellable operating leases are set out below

	2011 £	2010 £
Within one year	7,484	21,546
Within two to five years	54,944	44,845
	<u>62,428</u>	<u>66,391</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2011

18. TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

Advantage has been taken of the exemption in Financial Reporting Standard No 8, "Related party disclosures" and therefore transactions with group undertakings have not been disclosed

There are no other related party transactions

British Safety Council

Legal and administrative details
For the year ended 31 December 2011

FINANCIAL STATEMENTS

The board (the 'trustees' who are also the directors for Companies Act purposes) presents the annual report together with the financial statements of British Safety Council for the year ended 31 December 2011. The financial statements have been prepared under the accounting policies set out on page 19 to 20 of the financial statements and comply with the memorandum and articles of association, applicable law and the statement of recommended practice (SORP) – Accounting and Reporting by Charities as revised in 2005, the Charities Act (1993, as amended by the 2006 Act) and the Companies Act (2006).

The trustees' report is also a directors' report required by chapter 5 part 15 of the Companies Act 2006, and all trustees are directors.

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 company.

OBJECTS

The charity's objects, as set out in its memorandum of association 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,
- environmental protection and improvement, and
- sustainable development

GOVERNING DOCUMENTS AND GOVERNANCE ARRANGEMENTS

Governance arrangements are set out in the articles of association as updated on 19 April 2011. At an annual general meeting one third or a number closest to one third of Board members are required to retire from office. The board members to retire from office shall be those who have been longest in office since their last appointment. A member of the board who has completed 9 years in office shall retire at the next annual general meeting and shall not be eligible for reappointment. A board member who reaches the age of 75 shall retire at the next annual general meeting but shall be eligible for annual reappointment. The number of board members is limited to fourteen.

British Safety Council

Legal and administrative details For the year ended 31 December 2011

Company number	04618713
Charity numbers	1097271 in England and Wales SC037998 in Scotland
Principal and registered office	70 Chancellors Road Hammersmith London W6 9RS
The Board of Trustees	Lynda Armstrong OBE (Chair) Paul Cottam Nigel Davy Dr Adrian Ellis CB (Resigned from 31 December 2011) Ian Jefferson Kevin Myers (appointed 13 January 2011) John McNamara Michael Owen John Pearce Andrew Setters Charles Watchman Dr Dave Woodwark
Principal officers	Alex Botha (CEO) (<i>from 4 July 2011 – previously Director of Finance & Resources up to 4 July 2011</i>) Julie Nerney (CEO) (<i>from 1st January 2011 to 30th June 2011</i>) Roni Kotecha (Director of commercial affairs) Neal Stone (Director of policy & research) John Phillips (Director of qualifications & standards), (<i>from 4 July 2011</i>) Gary Anderson (Interim Director of finance & resources) (<i>from 4 July 2011 to 31 December 2011</i>) Martin Singfield (Director of finance & resources) (<i>from 4 January 2012</i>)
Company secretary	Rosalind Spellman
Bankers	Barclays Bank plc, 75 King Street, London, W6 9HY
Investment advisers	Investec Wealth and Investment, 2 Gresham Street, London, EC2V 7QN
Auditors	PKF (UK) LLP, Farringdon place, 20 Farringdon Road, London EC1M 3AP