



British Safety Council –
A company limited by guarantee

Trustees' Report and Financial Statements

For the year ended 31 December 2013



Company number: 04618713
Charity number: 1097271
Scottish charity number: SC037998



About us

The British Safety Council, founded in 1957, is one of the world's leading health, safety and environmental charities.

Our vision is that no one should be injured or made ill at work. We are passionate about making our vision a reality.

We start from the simple moral imperative that everyone has the right to safe and healthy working conditions as referred to in the Universal Declaration of Human Rights.

Our manifesto, *Working Well*, sets out our objectives and the actions we consider necessary to ensure people are not injured or made ill at work.

As a charity and a membership organisation, representing thousands of businesses, we have, for nearly sixty years, strived to keep people safe and well through the provision of education, guidance and support and by influencing others.

We listen and learn from our members what works. We use our networks to share our and our members' knowledge and experience to help raise standards of health, safety and environmental management in the UK and across the globe.

Health and safety and environmental management are complex. There are multiple hazards that can harm workers, the environment or both which require different levels of risk management.

There are many influential voices concerned that overly bureaucratic and risk adverse approaches to health and safety risk management have become a brake on innovation and economic growth. We believe that the sensible and proportionate management of health and safety and environmental risks is good for individuals, business and society.

Countries are striving for economic growth. We believe that a sensible approach to managing health and safety risks and working with charities as the British Safety Council will bring real economic benefit while ensuring workers are kept healthy and safe

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Chair's Report For the year ended 31 December 2013

CHAIR'S REPORT

British Safety Council's vision is that no one should be injured or made ill at work. The Trustees believe that our vision and aims, as set out in our manifesto, *Working Well*, fully reflect our charitable objectives. Our manifesto identifies five steps to help us and others that we work with achieve our vision, aims and objectives:

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

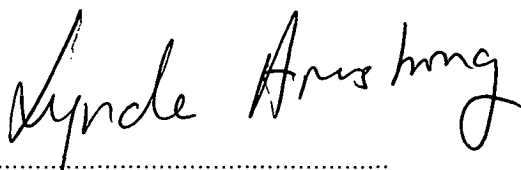
The role of the Trustees is to provide oversight and ensure good governance and ensure that the British Safety Council is ready and able to achieve its aims and objectives expertly and efficiently. 2013 was a year in which the Trustees and Executive of the British Safety Council continued the work of rationalising and consolidating our activities and operations. Good progress was made, including rationalising products and services and controlling costs, to help put the British Safety Council in a strong position to effectively meet competitive pressures.

We have continued our work of positioning the British Safety Council as a leading source of expertise and knowledge and influence on health and safety policy and law. The Government's reforms of the legal framework for workplace health and safety in Great Britain has already had a considerable impact both on our member organisations and has led to consequential changes to our products and services.

Our work has included helping our members and others involved in the management of health and safety understand the significance of the extensive legal changes and put the necessary measures in place to ensure continuing compliance.

The British Safety Council has played an important role in helping to influence the direction of health and safety reform agenda, publicising and helping duty holders understand the implications of these reforms. We continue to engage with key stakeholders, including Government, the Regulator and others, on major developments concerning health, safety and environmental management. The meetings held during the year with Government, the Regulator and politicians, among others, helped us convey our vision and the work we are doing hand-in-hand with our members to keeping people healthy and safe at work.

Nigel Davy, Charles Watchman and Dr Dave Woodwark stepped down as Trustees of the British Safety Council in 2013. I would like to place on record the Trustees' appreciation of the contribution made by Nigel, Charles and Dave over many years to the governance and oversight of the organisation. Ronke Adeagbo, Graham Cowan and Adrian Wild took up their appointment as Trustees in 2013 and I look forward to working with them and the rest of the Board of Trustees and Executive Team in driving forward our vision.



Lynda Armstrong OBE
12 August 2014

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Report of the trustees For the year ended 31 December 2013

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 injured or made ill at work.

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.

In all that we do we make sure our own staff, associates and those people affected by our work activities are kept healthy and safe and that we comply with all of our legal obligations. Each year our health and safety policies and systems are independently reviewed and assessed by external experts. We are pleased that we maintained our OHSAS accreditation in 2013. The Executive team reviews the organisation's effectiveness in managing health and safety at their weekly meetings. Our 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.

Public Health Responsibility Deal

We have pledged our support for the Government-backed Public Health Responsibility Deal. This initiative seeks to tap into the potential for organisations to make a significant contribution to improving public health by helping to create an environment which fosters healthy lifestyles. We have signed up to five core pledges that have the goal of promoting healthier and active lifestyles. In announcing our support our Chief Executive welcomed this initiative as an opportunity to raise the profile of occupational health and to speak about the benefits of promoting healthier behaviour and lifestyles at work both within our organisation and more widely.

During 2013 the British Safety Council experienced an employee absence rate due to sickness of 0.67% (2012: 0.69%), which the trustees believe compares favourably with the overall rate experienced across all industry sectors

2. OBJECTIVES AND AIMS

2.1. Charitable objects

The charity's objects 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.

2.2. Vision and mission

The Trustees believe that the British Safety Council's vision, mission and our aims fully reflect our charitable objects. Our vision is bold and ambitious.

Our manifesto, which we launched at the UK House of Commons in April 2012, identified five steps to help us and others that we work with achieve our vision, aims and objectives:

- Promoting the importance of health and safety
- Building understanding and capability

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- Committing to leadership and workforce engagement
- Sharing knowledge and experience
- Campaigning for sensible legislation, regulation and application

Our activities, which underpin our vision, can be grouped under these five steps. The Trustees have gone through a process of assessing whether each of our activities are for public benefit. We are satisfied that we have complied with the duties placed upon us under section 17 of the Charities Act 2011 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 in the strategic report below the activities we have undertaken and what we have achieved. The Trustees have compared the activities undertaken to the vision, aims and objectives of the British Safety Council and have concluded that the charity's aims are being carried out for the public benefit.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1. 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, strategic report and consolidated financial statements cover the charitable entity and the two subsidiaries.

3.2. 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 names of the CEO and executive team are set out on the last page of this document.

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

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

- **Board of trustees**

The main board of trustees meet at least 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.

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- **Policy and communications committee**

The policy and communications committee meet three times per year to agree policy positions to underpin our influencing and engagement activities and all public pronouncements in our own publications or the media.

- **Qualifications and awards committee**

The qualifications and awards committee meets quarterly 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 be overseen by this committee.

- **Remuneration and nomination committee**

The remuneration and nomination 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 CEO, 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. Induction also includes a presentation, a meeting with key staff and the provision of company documents and Charity Commission publications. 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.

3.3. Risk Management

The trustees are responsible for the 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.

The principal risks and uncertainties facing the group are set out in section 4.5 below.

3.4. Investment policy

Our investment policy is in accordance with the charity's 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.

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These powers are exercised by the investment committee, which under its terms of reference, acts for, advises and reports to the board on all matters concerning the management of the charity's investments.

4. STRATEGIC REPORT

4.1. Performance of the group and charity

Incoming resources for the year totalled £7,788,556 which is £833,533 less than 2012. Expenditure for 2013 totalled £8,763,260, which represents a decrease of £402,734 on 2012 and reflects a reduction in our activities following the end of our support of the 2012 London Olympics. Prior to gains on investment assets and gains associated with the legacy pension scheme, there were net outgoing resources in the year of £974,704, which is £430,799 higher than in 2012. With gains in investment funds of £1,619,086 and an actuarial gain in the legacy pension scheme of £93,000 the overall increase of funds in the year was £737,382 compared with an increase of £429,752 in 2012.

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.

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:

	2013 £	2012 £
Improving organisation performance through information & recognition	675,501	528,452
Improving individual's capability through qualifications & assessments	3,208	(140,282)
Enhancing organisations performance through auditing & advisory	(360,535)	(168,013)
Improving individual's performance through education & training	(1,218,002)	(611,264)
Influencing the H&S agenda	(294,846)	(383,726)
Net (outgoing) resources before investment income, investment, management and governance costs	(1,194,674)	(774,833)
Investment income	325,222	318,859
Investment management costs	(43,889)	(40,568)
Governance costs	(61,363)	(47,363)
Net (outgoing) resources before other recognised gains and losses	(974,704)	(543,905)
Gains on investment assets	1,619,086	807,657
Actuarial gains on defined benefit pension scheme	93,000	166,000
Net increase in funds	737,382	429,752

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Improving organisation performance through information and recognition generated income of £2,235,431 from membership, our events and awards and publications. This was 14% more than in 2012 mainly due to an increase in membership revenue. Overall expenditure on these activities in 2013 increased by 9% to £1,559,930 due to increased costs.

Incoming resources from *Improving individual's capability through qualifications and assessments* have increased by £40,192 to £806,696 reflecting growth from both our entry level and level 1 qualifications. Expenditure was £803,488 in 2013, which is £102,298 less than the previous year as a result of various cost saving measures.

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 consultancy services. Income of £1,501,295 was down by £493,442 compared with 2012 reflecting reduced demand for these services. Expenditure also fell from £2,162,750 to £1,861,830 for the same reason.

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 £2,919,912 was down by £661,127 in 2013 reflecting reduced demand for these services. Expenditure also decreased by £54,389 to £4,137,914.

Expenditure incurred to support *Influencing the health and safety agenda* fell by £88,880 to £294,846 in 2013.

The British Safety Council received investment income of £325,222 in 2013 which was up by £6,363 from the previous year. This is primarily due to higher dividend yields on investments. The recognised gains on the investment portfolio were £1,619,086 which reflected good market conditions.

The FRS17 actuarial gain on our legacy pension in 2013 was £93,000 compared with a gain of £166,000 in the previous year. The last triennial actuarial review of the scheme was completed as at 1 October 2012.

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 £1,996,243.

The British Safety Council has invested in equities and fixed interest stocks. On 31 December 2013 the value of the portfolio was approximately £12.1 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 at 31 December 2013, the remaining goodwill related to the ComplyWise Ltd, which stood at £650,000, was written off.

4.2. Position of the group at the year end

The reserves at 31 December 2013 were:

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	2013 £	2012 £
Designated funds		
- Fixed asset reserve	3,227,400	3,431,900
- Goodwill	-	812,500
Other unrestricted funds	<u>10,991,242</u>	<u>9,550,860</u>
Total funds excluding pension reserve	14,218,642	13,795,260
Pension reserve	<u>(1,073,000)</u>	<u>(1,387,000)</u>
Total funds	<u>13,145,642</u>	<u>12,408,260</u>

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 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.

The board designated reserves total £3,227,400 and match the net book value of the group's tangible fixed assets.

Remaining unrestricted funds (excluding the pension reserve) amount to £10,991,242. Note 13 provides further information about the designated and unrestricted reserves. This level of reserves is reviewed regularly by the board of trustees.

4.3. Significant activities undertaken during the year

4.3.1. Promoting the importance of health and safety

The British Safety Council continued to engage with a range of stakeholders, including Government, regulators, politicians, business and trade bodies, professional bodies, academic and research bodies and charitable bodies, both in the UK and internationally to promote sensible and proportionate regulation and management of workplace health and safety and the environment.

A key focus during the year was to promote the social, business and economic benefits of sensible health and safety management. One of the ways we do this is through our events. To this end, in June we held a conference promoting the business and social benefits of well managed workplace health and safety attended by the then Minister for Work and Pensions Mark Hoban MP and Lord McKenzie of Luton.

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We meet regularly with key decision makers, which include the Chair, Chief Executive and other senior representatives from the Health and Safety Executive (HSE) to discuss strategic and legislative developments at a high level and other developments including legislative reform, research, and campaigns.

Meetings of note include our Chair and Chief Executive meeting with Mark Hoban MP, Minister for Health and Safety, to discuss a number of major issues concerning the regulation and management of workplace health and safety in Great Britain. The range of issues discussed included the progress of the Löfstedt reforms of our health and safety laws, and the review of the role and work of the HSE and the growing concerns about the impact of HSE's 'Fee for Intervention' cost recovery scheme including the impact on the regulator-duty-holder relationship.

We also inputted into the Government's Triennial Review of HSE. We had earlier surveyed our members on the main issues at the heart of the review including whether there was a continuing need for HSE as an independent publicly funded body carrying out the duties assigned to it in law. Our evidence to the Temple Review was informed in part by our survey of members and their views and also shaped by our own knowledge and expertise. The Government's initial response to the Temple Review was published in December 2013 and seemed to reflect many of our views and comments.

We continue our work to develop our press and media profile and raise awareness of our work through our publications and social media. Our intention has been to shift the focus away from 'silly' stories concerning health and safety and towards the benefits that the effective management of workplace risks can bring. We know from our media monitoring activities that there is considerable interest in the work we do to help publicise and achieve our vision of no one being injured or made ill at work.

4.3.2 Building understanding and capability

We continued to deliver products and services to our member and other organisations, individuals and stakeholders, both in the UK and internationally to help build understanding and to develop capability and competence. This included the delivery of health, safety and environmental advice, audit, training, qualifications and awards.

We continue to be one of the major providers of health and safety knowledge and training in the UK. In 2013 3,535 students successfully completed health, safety and environmental training with the British Safety Council.

We continued with our programme of upgrading our e-learning platform and extending our portfolio of on online training courses. By the end of 2013 we had 16 e-learning training courses available. Our magazine, Safety Management and the supporting A5 topic guide, both published monthly, continue to be two of the main channels of communication with our more than 6,000 member organisations and subscribers. During the year there was ongoing refreshment of the magazine to ensure it continues to inform and educate our members and subscribers on significant issues concerning the regulation and management of workplace health and safety and the environment. We have increasingly used the magazine to share our own and our members' knowledge and expertise to help promote and publicise 'best practice' concerning the management of health and safety risks. The strategic direction of the magazine and our wider policy activity is assisted by an advisory panel whose membership includes one of our trustees Lawrence Waterman OBE, Sarah Page of Prospect trade union, Professor Ragnar Löfstedt of Kings College, Laura Cameron of Pinsent Masons LLP and Shaun Davis of the Royal Mail.

Featured articles in Safety Management, including those sourced by internal external subject experts, are increasingly being referenced and re-produced by other reputable publishers whose focus includes workplace health and safety and environmental management. This provides the opportunity for the British Safety Council to further its vision and promote its work and activities to a wider interested audience.

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4.3.3. Committing to leadership and worker engagement

The British Safety Council continued its work of promoting strong visible leadership on health and safety and the active engagement of the workforce in the identification and management of health and safety risks. We use our own knowledge and expertise and that of our member organisations to inform and educate and share best practice.

Our three award schemes have an important role to play in encouraging and rewarding health, safety and environmental management excellence. To be successful in our International Safety Award, Sword of Honour and Globe of Honour award schemes applicants have to demonstrate that strong and effective leadership and active workforce engagement are prominent in their respective organisations. Central to success in all three award schemes is proven leadership, demonstrable competence in risk management and active workforce engagement.

The International Safety Award, awarded for proven commitment to high standards of health and safety management, was won by 467 organisations, both members and non-members in 2013. Thirty nine organisations were awarded a distinction. We introduced two individual awards for the first time in 2013 – awarded to the Health and Safety champion and Young Health and Safety champion.

The British Safety Council's Sword of Honour and Globe of Honour, awarded respectively for exemplary health and safety management and environmental management, were bestowed on 80 and 9 organisations in 2013 – 6 of whom won both the Sword of Honour and Globe of Honour.

All of our award schemes help us identify and articulate more widely the benefits of effective risk management by providing robust evidence of the impact of sound management on our member organisations. We continue to use the evidence provided by applicants for our award schemes to source articles in Safety Management, best practice guidance and our social media.

The British Safety Council continued to play its part in publicising the evidence of the health, safety and environmental achievements in the construction of London 2012 Olympic Games venues through our publications and presentations to UK and conferences in the Middle East and India.

4.3.4. Sharing knowledge and experience

At the heart of our activities is the sharing of best practice and expertise, both our own built up over the past fifty six years, and that of our members. At the end of 2013 we had thousands of member organisations predominantly based in the UK, India, the Middle East and sub-Saharan Africa with a smaller number in other countries.

We continued to share knowledge and expertise through our own and partnered events and presentations. These events – including seminars, conferences, symposiums and best practice exchanges – enabled us to reach out to our member organisations and other organisations and individuals with a responsibility for managing health and safety risks. We reached more than 6,000 people through these events.

The focus of our annual conference in June was on publicising the evidence concerning the social and economic benefits of well managed workplace health and safety. The conference is the first of a number of measures that we are planning to take forward over the coming years to help make the case for sensible and proportionate investment in measures, including training, information and advice, highlighting the benefits to business, individuals and society that will accrue.

We were pleased that the then Minister for Work and Pensions, Mark Hoban MP, was able to attend our annual conference and deliver the keynote speech. This conference provided the opportunity for a number of our member organisations to present the evidence they had gathered concerning the economic and social benefits that their organisations and their employees had gained from a range of health and safety interventions.

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We also ran our own health, safety and environmental event in Manchester in May focusing on key risks faced by health, safety and environmental managers and on the UK Government's programme for the extensive reform of health and safety law.

We continued as the education partner to Western Business Exhibitions for their annual series of health and safety exhibitions and conferences. We supported three events in 2013 – at Glasgow, Sandown Park, Surrey and Bolton. The seminars, built around topical issues concerning the regulation and management of workplace health and safety risks drew large audiences with attendances ranging from 200-450 people.

A number of our member organisations contributed to the success of our own and partnered events including FirstGroup plc, Pinsent Masons LLP and Sodexo Offshore who shared their expertise and knowledge with audiences keen to learn how to manage health and safety and environmental risks more effectively.

We continued to provide speakers, including our Chair, Chief Executive and Policy and Communications Director for major health and safety events both in the UK and abroad including in Abu Dhabi, Czech Republic, Dubai, Oman, Qatar, India, Malaysia and Spain.

The British Safety Council was again proud to host visiting delegations from the State Administration for Worker Safety (the State regulator) of the People's Republic of China. We hosted three visiting delegations of directors and senior managers from a number of state and major industries providing an insight into the regulation and management of health and safety in Great Britain and helping develop their understanding of the challenges we face in preventing workplace injury and ill health and the actions we take to meet those challenges.

In 2012 the British Safety Council set up four interest groups bringing together our members in the construction, energy and utilities, manufacturing and transport and distribution sectors. These four sectors represent some 75% of the British Safety Council's membership. The purpose of these groups is to provide a sounding board to enable our members to share their views and experiences concerning their management of health and safety and help inform our policy positions and our representations to government and the regulator. The four groups met a total of ten times in 2013 four of which were held at our members' sites including at the Infinis site in Lancaster and at the Essar Refinery, Stanlow.

4.3.5. Campaigning for sensible legislation, regulation and application

The British Safety Council has continued with its aim of seeking to inform and influence the direction of health and safety thinking, policy and law in the UK and the EU. 2013 was a critical year in which the Government's plans for reform of our health and safety framework flowing from the Löfstedt review were implemented. The planned reforms of primary and secondary legislation and supporting guidance will have a considerable impact both on our member organisations and on our work in promoting the effective management of workplace health and safety risks.

We contributed to four consultation exercises undertaken by Government and HSE concerning proposals for the reform of health and safety law. The guiding principle for the British Safety Council is, wherever practicable, to engage with our membership in order to gather their views to help inform any submissions we make concerning proposed changes to health and safety policy and law. Our four sector interest groups and members also, importantly, help inform what we say to Government and the regulator.

We used our publications, website and other social media to keep our members informed about the extensive programme of health and safety reform. We produced an online tracker which provides our members with a regularly updated report on the progress of the Löfstedt reforms of health and safety law.

We continue to support the main thrust of the review programme. What we have made clear is that while we and the vast majority of our members have great confidence in the effectiveness of our current regulatory framework for workplace health and safety in Great Britain we favour regulatory simplification

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including the codification of sector specific regulations. With the support of our member organisations we regularly conveyed this message and our view that the HSE is carrying out its statutory responsibilities effectively to the Government and related stakeholders.

During the year we continued our campaign for the provision of clear, accessible and comprehensible guidance supporting health and safety regulations and specifically meets the particular needs of small and micro businesses. We contributed on a number of occasions over the course of the year to various HSE projects designed to improve the quality of advice and guidance including on the health, welfare and safety regulations.

We also continued our work to help keep young people safe and healthy at work. Speak up, Stay safe, our campaign launched with great success in 2010 was carried forward into 2013 with a particular focus on supporting young people undertaking work experience roles.

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 attracted considerable interest and support both in the UK and internationally. Presentations on our work were delivered to a number of academic and expert audiences at our own and other events in the UK and the EU.

4.3.6. Scottish activities

The British Safety Council has a strong and active membership of over 500 organisations, in Scotland drawn from sectors including construction, energy & utilities, manufacturing, public services and transport. Our member organisations operating in Scotland were well represented in our award schemes with 9 winning the Sword of Honour in 2013. Twenty eight of our members organisations operating in Scotland won the International Safety Award in 2013.

We continued our role as the education partner for the bi-annual Scotland health and safety event held in Glasgow in April. Our members in Scotland were key contributors to our publications and events programmes. Contributors included Babcock Rosyth, Dounreay Site Restoration Limited, FirstGroup, Pinsent Masons LLP and Sodexo Offshore.

The Chair of the British Safety Council attended the conference in Aberdeen in July 2013 hosted by Oil & Gas UK to mark the 25th anniversary of the Piper Alpha disaster. The conference, attended, by a number of our offshore oil and gas member organisations based in Aberdeen, provided the opportunity for those attending to hear of the progress that has been made over the last 25 years in improving health and safety offshore.

A special edition of Safety Management was produced in July 2013 featuring a range of people who had been affected by the disaster or had been instrumental in helping to achieve the step change in offshore safety over the intervening years.

4.4. Looking ahead: Our future plans

The trustees and executive of the British Safety Council continued their work, in 2013, of reviewing the organisation's corporate and strategic objectives to ensure that it continues to be a major force promoting the economic and social benefits of sensible and proportionate health and safety management. As the report noted considerable progress was made over the course of the year in rationalising our portfolio of advisory, audit, training and qualifications products and services.

The trustees have identified three priorities for 2014 and beyond that are considered essential to the achievement of the aims and objectives set out in the manifesto, Working Well:

- To gather and publicise the evidence concerning the economic and social benefits that well managed health and safety brings;
- To continue the work of helping develop risk awareness and understanding among young people and to campaign to help ensure that they are properly protected at work, and;

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Report of the trustees For the year ended 31 December 2013

- To influence decision makers concerning health and safety policy and law using ours and our members knowledge and expertise.

Our corporate objectives for 2014 are:

- Deliver total revenue of £8,218k with a £196k surplus from revenue generating activities at an aggregate gross profit of 26.6%
- Achieve membership revenue of £1,653k with a retention rate of 77%
- Position the British Safety Council as a leading voice on the business benefits of health & safety
- Increase international revenue to 24% of total revenue
- Undertake processes and systems review to improve our organisational effectiveness and efficiency

4.5. Principal risks and uncertainties facing the group

At the time of approving the trustees' report and financial statements, the top organisational risk was the continuing impact of the economic environment on our primary purpose trading activities. Other risks include:

- **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 4.
- **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.

British Safety Council

Report of the trustees For the year ended 31 December 2013

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, strategic 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.

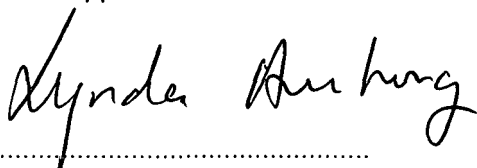
In so far as the trustees are aware:

- 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

BDO 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 and strategic report were both approved by the Board on 12 August 2014 and signed on its behalf on 12 August 2014.

British Safety Council

Independent Auditor's Report For the year ended 31 December 2013

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

We have audited the financial statements of British Safety Council for the year ended 31 December 2013 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), 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 trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members 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 and the charity's trustees and members 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 the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2013 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

British Safety Council

Independent Auditor's Report For the year ended 31 December 2013

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

.....
Ian Mathieson (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

14 AUGUST 2014

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

British Safety Council

Consolidated Statement of Financial Activities
(incorporating an Income and Expenditure Account)
For the year ending 31 December 2013

	Note	2013 £	2012 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	2	325,222	318,859
Incoming resources from charitable activities			
Improving organisation performance through information, recognition		2,235,431	1,960,950
Improving individual's capability through qualifications, assessments		806,696	766,504
Enhancing organisations performance through auditing & advisory		1,501,295	1,994,737
Improving individual's performance through education & training		2,919,912	3,581,039
TOTAL INCOMING RESOURCES		7,788,556	8,622,089
RESOURCES EXPENDED			
Cost of generating funds			
Investment management costs		(43,889)	(40,568)
Costs of charitable activities			
Improving organisation performance through information, recognition		(1,559,930)	(1,432,498)
Improving individual's capability through qualifications, assessments		(803,488)	(906,786)
Enhancing organisations performance through auditing & advisory		(1,861,830)	(2,162,750)
Improving individual's performance through education & training		(4,137,914)	(4,192,303)
Influencing the health and safety agenda		(294,846)	(383,726)
Governance costs		(61,363)	(47,363)
TOTAL RESOURCES EXPENDED	3	(8,763,260)	(9,165,994)
NET (OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		(974,704)	(543,905)
OTHER RECOGNISED GAINS AND LOSSES			
Gains on investment assets	8	1,619,086	807,657
Actuarial gains on defined benefits pension scheme	16	93,000	166,000
NET MOVEMENT IN FUNDS		737,382	429,752
Total funds brought forward at 1 January		12,408,260	11,978,508
Total funds carried forward at 31 December		13,145,642	12,408,260

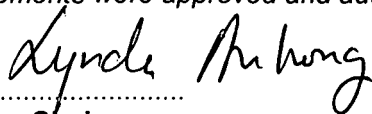
All of the above results are derived from continuing activities. The deficit for the year for Companies Act purposes was (£474,908) (2012: £263,720). The accompanying accounting policies and notes form an integral part of these financial statements.

British Safety Council

Balance Sheet For the year ended 31 December 2013

		Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Fixed Assets					
Goodwill	6	-	812,500	-	-
Tangible assets	7	3,227,400	3,431,900	3,227,400	3,431,900
Investments	8	12,108,621	10,278,710	12,643,667	11,417,209
		<u>15,336,021</u>	<u>14,523,110</u>	<u>15,871,067</u>	<u>14,849,109</u>
Current Assets					
Stock		7,261	7,416	7,260	7,416
Debtors	9	1,215,965	1,223,778	1,124,810	1,075,737
Bank & Cash		1,007,524	1,254,301	1,004,424	1,189,178
		<u>2,230,750</u>	<u>2,485,495</u>	<u>2,136,494</u>	<u>2,272,331</u>
Creditors: amounts falling due within one year	10	(3,348,129)	(3,213,345)	(3,372,920)	(3,032,561)
Net current liabilities		<u>(1,117,379)</u>	<u>(727,850)</u>	<u>(1,236,426)</u>	<u>(760,230)</u>
Creditors: amounts falling due after more than one year	11	-	-	(415,000)	(415,000)
Total net assets excluding pension liability		<u>14,218,642</u>	<u>13,795,260</u>	<u>14,219,641</u>	<u>13,673,879</u>
Pension liability	16	<u>(1,073,000)</u>	<u>(1,387,000)</u>	<u>(1,073,000)</u>	<u>(1,387,000)</u>
NET ASSETS		<u>13,145,642</u>	<u>12,408,260</u>	<u>13,146,641</u>	<u>12,286,879</u>
Funds	13				
Designated funds		3,227,400	4,244,400	3,227,403	3,431,900
Unrestricted funds		10,991,242	9,550,860	10,992,238	10,241,979
Total funds excluding pension liability		<u>14,218,642</u>	<u>13,795,260</u>	<u>14,219,641</u>	<u>13,673,879</u>
Pension reserve		<u>(1,073,000)</u>	<u>(1,387,000)</u>	<u>(1,073,000)</u>	<u>(1,387,000)</u>
TOTAL FUNDS		<u>13,145,642</u>	<u>12,408,260</u>	<u>13,146,641</u>	<u>12,286,879</u>

The financial statements were approved and authorised for issue on 12 August 2014.



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 2013

	2013 £	2012 £
Consolidated cash flow statement		
Net cash (outflow) from operating activities	(148,137)	(570,497)
Investment income	325,222	318,859
Returns on investments and servicing of finance	325,222	318,859
Purchase of tangible fixed assets	(213,037)	(369,892)
Purchase of investments	(2,586,513)	(323,589)
Proceeds from sale of investments	2,375,688	901,265
Capital expenditure and financial investment	(423,862)	207,784
(Decrease)/increase in cash in the year	(246,777)	(43,854)
Analysis of net cash (outflow) from operating activities		
Net (outgoing) resources before other recognised gains and losses	(974,704)	(543,905)
Investment income	(325,222)	(318,859)
Depreciation charge	417,537	360,458
Goodwill amortisation	162,500	162,500
Goodwill impairment	650,000	-
(Decrease) in pension liability	(221,000)	(195,000)
Decrease in stock	155	14,415
Decrease/(increase) in debtors	7,813	(242,184)
(Decrease)/increase in creditors	134,784	192,078
	(148,137)	(570,497)
Analysis of change in funds		
Cash in bank and at hand at 1 January	1,254,301	1,298,155
Cash flow for the year	(246,777)	(43,854)
Cash in bank and at hand at 31 December	1,007,524	1,254,301

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

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 the 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.

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 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.

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

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. As a result of the impairment review the directors concluded that during the year ended 31 December 2013, the goodwill was impaired by £650,000. The net book value of goodwill at 31 December 2013 was £Nil.

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

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

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.

2. INVESTMENT INCOME

	2013 £	2012 £
From UK investments		
Deposit interest	8,070	2,069
Equities	210,918	203,988
Unit trusts	63,096	55,770
Fixed interest company bonds	26,586	40,969
	<u>308,670</u>	<u>302,796</u>
UK quoted securities		
Overseas investment trusts	13,611	13,581
Overseas unit trusts	2,941	2,482
	<u>325,222</u>	<u>318,859</u>

3. BREAKDOWN OF RESOURCES EXPENDED (GROUP)

	Direct staff costs £	Direct costs	Overhead costs £	2013 Total £	2012 Total £
Charitable activities					
Improving organisation performance through information & recognition	612,745	516,598	430,587	1,559,930	1,432,498
Improving individual's capability through qualifications & assessments	368,723	156,713	278,052	803,488	906,786
Enhancing or organisations performance through auditing & advisory	842,818	579,168	439,844	1,861,830	2,162,750
Improving individuals' performance through education & training	1,472,184	1,948,090	717,640	4,137,914	4,192,303
Influencing the Health & Safety agenda	139,274	40,301	115,271	294,846	383,726
Investment management costs	-	43,889	-	43,889	40,568
Governance	-	58,735	2,628	61,363	47,363
Total resources expended	<u>3,435,744</u>	<u>3,343,494</u>	<u>1,984,022</u>	<u>8,763,260</u>	<u>9,165,994</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

Overhead cost allocations – Support and governance cost

	Improving organisation performance through information & recognition	Improving individuals' through qualifications & assessments	Enhancing organisations performance through auditing & advisory	Improving individual's performance through education & training	Influencing the H&S agenda	Governance	Total Costs
	£	£	£	£	£	£	£
Management and administration	155,084	100,146	158,418	258,472	41,517	948	714,585
Human resource	23,022	14,866	23,517	38,369	6,163	140	106,077
Additional pension scheme costs	6,728	4,345	6,872	11,213	1,801	41	31,000
Finance	180,350	116,461	184,228	300,582	48,281	1,100	831,002
IT	65,403	42,234	66,809	109,004	17,509	399	301,358
Total	430,587	278,052	439,844	717,640	115,271	2,628	1,984,022

Overheads were all allocated on the basis of head count.

Support costs include the following

	2013 £	2012 £
Depreciation	417,537	360,458
Support staff costs	1,120,943	1,118,990
Operating lease rentals	37,150	76,400

Governance costs include the following:

Auditor's remuneration - auditing the accounts	35,000	27,500
Auditor's remuneration - other work	3,550	-
Trustees expenses	9,411	8,476
Venue hire, secretarial, travel, other	13,624	8,153

4. STAFF COSTS (GROUP)

Staff costs during the year were as follows:

	2013 £	2012 £
Wages and salaries	3,787,736	3,920,079
Redundancy costs	23,615	29,497
Social security costs	411,462	428,705
Other pension costs	95,530	85,683
FRS 17 pension adjustments	31,000	57,000
	4,349,343	4,520,964

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

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

	2013 Number	2012 Number
Improving organisation performance through information & recognition	11	10
Improving individual's capability through qualifications & assessments	16	12
Enhancing organisations performance through auditing & advisory	4	5
Improving individuals' performance through education & training	29	32
Influencing the H&S agenda	15	17
Supporting activities	21	23
	<u>96</u>	<u>99</u>

At 31 December 2013 the number of staff employed by the group was 93 (2012: 92).

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

	2013 Number	2012 Number
£60,001 - £70,000	2	5
£70,001 - £80,000	2	3
£80,001 - £90,000	4	1
£90,001 - £100,000	-	1
£100,001 - £120,000	2	1
£120,001 - £130,000	-	1
	<u>10</u>	<u>12</u>

2 employees earning £60,000 or more (2012: 4) were deferred members of the defined benefit pension scheme.

8 employees earning £60,000 or more (2012: 8) were members of the defined contribution pension scheme, and contributions amounting to £41,889 (2012: £41,729) were paid on their behalf.

5. TRUSTEES EXPENSES

The trustees received no remuneration for their services to the Council during the year. Indemnity insurance is provided for trustees. The premium paid during the year amounted to £2,544 (2012: £2,597).

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

6. GOODWILL (GROUP)

	£
Cost or valuation	
At 1 January 2013	1,510,125
Less: impairment provision in the year	(650,000)
Cost at 31 December 2013	<u>860,125</u>
Amortisation	
At 1 January 2013	697,625
Provided in the year	162,500
	<u>860,125</u>
Net book value at 31 December 2013	<u>-</u>
Net book value at 31 December 2012	<u>812,500</u>

Under FRS 11 an impairment review was required to be undertaken at 31 December 2013. In doing so, the directors took account of the fact that all new contracts for health safety and compliance e-learning solutions are now entered into by the British Safety Council, and that the intention of the directors is to eventually transfer all remaining contracts from Complywise Ltd to the British Safety Council. As a result of the impairment review the directors concluded that during the year ended 31 December 2013, the goodwill was impaired by £650,000.

7. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Freehold land and buildings £	Office refurbish- ment £	Office furniture equipment £	Computer equipment £	Total £
Cost at 1 January 2013	3,012,500	1,398,471	320,315	1,300,607	6,031,893
Additions	-	-	7,023	206,014	213,037
At 31 December 2013	3,012,500	1,398,471	327,338	1,506,621	6,244,930
Depreciation					
At 1 January 2013	983,757	785,528	304,600	526,108	2,599,993
Provided in year	32,500	84,564	4,010	296,463	417,537
At 31 December 2013	1,016,257	870,092	308,610	822,571	3,017,530
Net book value at 31 December 2013	1,996,243	528,379	18,728	684,050	3,227,400
Net book value at 31 December 2012	2,028,743	612,943	15,715	774,499	3,431,900

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 2013

8. INVESTMENTS

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Market value of 1 January	10,278,710	10,048,729	11,417,209	11,187,228
Acquisitions at cost	2,586,513	323,589	2,586,513	323,589
Disposal at carrying value	(2,375,688)	(901,265)	(2,375,688)	(901,265)
Impairment in carrying value of subsidiary	-	-	(603,453)	-
Net Gains realised and on revaluation at 31 December	1,619,086	807,657	1,619,086	807,657
Market value at 31 December	12,108,621	10,278,710	12,643,667	11,417,209
UK quoted securities				
Equities	5,881,844	5,026,166	5,881,844	5,026,166
Fixed interest bonds	628,075	870,232	628,075	870,232
Investment trusts	586,896	641,487	586,896	641,487
Public sector fixed interest	524,390	532,890	524,390	532,890
Unit trusts	2,236,901	1,590,780	2,236,901	1,590,780
Total UK quoted securities	9,858,106	8,661,555	9,858,106	8,661,555
UK quoted overseas securities				
Unit trusts	846,612	428,160	846,612	428,160
Investment trusts	1,403,903	1,188,995	1,403,903	1,188,995
Total UK quoted overseas securities	2,250,515	1,617,155	2,250,515	1,617,155
Investment in subsidiaries	-	-	535,046	1,138,499
Total value at 31 December	12,108,621	10,278,710	12,643,667	11,417,209
Historical cost at 31 December	8,634,594	7,922,588	7,922,588	10,671,998

There were no quoted security holdings with a market value of greater than 5% of the total portfolio at 31 December 2013.

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 2013

	British Safety Council Sales Ltd	ComplyWise Ltd
	2013 £	2013 £
Subsidiaries		
Income and Expenditure		
Turnover	-	353,367
Cost of Sales & administrative expenses	-	(1,079,202)
Net Loss	-	(725,835)
Gift Aid to British Safety Council	-	-
Net movement in funds/net income	-	(725,835)
Balance Sheets		
Debtors	2,001	265,598
Debtors: amounts falling due after more than one year	-	415,000
Cash at Bank and in Hand	2,562	538
Creditors: amounts falling due less than one year	(4,563)	(147,089)
Net Assets	-	534,047
Ordinary Shares	999	2,748,411
Profit & Loss Account	(999)	(2,214,364)
Equity shareholders' funds	-	534,047

9. DEBTORS

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Trade debtors	1,095,327	938,294	1,001,610	787,661
Other debtors	21,738	21,180	19,737	19,179
Due from subsidiary undertaking	-	-	4,563	4,593
Prepayments and accrued income	98,900	264,304	98,900	264,304
	<u>1,215,965</u>	<u>1,223,778</u>	<u>1,124,810</u>	<u>1,075,737</u>

British Safety Council

Notes to the financial statements
For the year ended 31 December 2013

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Trade creditors	463,954	241,986	441,261	241,986
Other creditors	8,310	9,059	8,311	9,059
Due to subsidiary undertaking	-	-	171,880	73,532
Taxation and social security	518,039	389,781	504,285	366,442
Accruals	469,004	486,750	469,004	479,750
Deferred income (note 12)	1,888,822	2,085,769	1,778,179	1,861,792
	<u>3,348,129</u>	<u>3,213,345</u>	<u>3,372,920</u>	<u>3,032,561</u>

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

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Due to subsidiary undertaking	<u>-</u>	<u>-</u>	<u>415,000</u>	<u>415,000</u>

12. DEFERRED INCOME

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Deferred income as at 1 January	2,085,769	1,711,592	1,861,792	1,452,884
Deferred incoming resources	6,367,513	5,727,745	6,167,562	5,379,133
Release of deferred income	(6,564,460)	(5,353,568)	(6,251,175)	(4,970,225)
Deferred income as at 31 Decemb	<u>1,888,822</u>	<u>2,085,769</u>	<u>1,778,179</u>	<u>1,861,792</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

13. SUMMARY OF MOVEMENTS IN FUNDS (GROUP)

	1 January 2013 £	Incoming resources £	Resources expended £	Actuarial gain £	Investme nt gain £	Transfers £	At 31 December 2013 £
Unrestricted funds	9,550,860	7,788,556	(7,754,223)	-	1,619,086	(213,037)	10,991,242
Designated Funds:							
ComplyWise Ltd	812,500	-	(812,500)	-	-	-	-
Fixed asset designated fund	3,431,900	-	(417,537)	-	-	213,037	3,227,400
	4,244,400	-	(1,230,037)	-	-	213,037	3,227,400
Pension reserve	(1,387,000)	-	221,000	93,000	-	-	(1,073,000)
Total funds	12,408,260	7,788,556	(8,763,260)	93,000	1,619,086	-	13,145,642

During the year the Charity, which is the parent company of the group, achieved an increase in total funds of £859,762 (2012: £280,551), which includes net outgoing resources before other recognised gains and losses of £852,324 (2012: £693,106).

DESIGNATED FUNDS - FURTHER INFORMATION

ComplyWise Ltd

This designation matches the current valuation of the goodwill relating to the investment in ComplyWise Ltd. During the year ended 31 December 2013 goodwill was impaired by £650,000 thereby leaving a current value of £Nil.

Fixed asset designated fund

This matches the net book value of the fixed assets at the financial year end. In the year there were £213,037 worth of fixed asset additions and a depreciation charge of £417,537. £213,037 was transferred from the unrestricted funds to cover fixed asset additions.

ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

Fund balances at 31 December 2013 are represented by:	Unrestricted funds £	Designated funds £	Pension reserve £	Total funds £
Tangible fixed assets	-	3,227,400	-	3,227,400
Investments	12,108,621	-	-	12,108,621
Current assets/(liabilities)	(1,117,379)	-	-	(1,117,379)
Pension liability	-	-	(1,073,000)	(1,073,000)
Total funds	10,991,242	3,227,400	(1,073,000)	13,145,642

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

14. CAPITAL COMMITMENTS

At the year end, British Safety Council had entered into commitments amounting to £nil (2012: £nil).

15. CONTINGENT LIABILITIES

At the year end, British Safety Council had entered into commitments amounting to £nil (2012: £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 2012. This has been updated to 31 December 2013 by a qualified actuary.

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

	31 December 2013	31 December 2012	31 December 2011	31 December 2010	31 December 2009
Discount rate	4.60	4.10	4.70	5.30	5.80
Inflation assumption	3.50	2.80	3.20	3.60	3.60
Pension escalation in payment	3.00	3.00	3.20	3.60	3.60
Pensionable salary growth	n/a	n/a	n/a	n/a	n/a

Assumed life expectancy in years, on retirement at 65:

	31 December 2013	31 December 2012
Retiring today		
Males	21.2	22.2
Females	23.4	24.4
Retiring in 20 years		
Males	22.5	23.5

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

Age	Males	Females
30	0.00040	0.00061
40	0.00133	0.00201
50	0.00278	0.00360

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

Amounts recognised in the SOFA are as follows:

Amounts recognised in the SOFA are as follows:

	2013	2012
	£	£
Included in expenditure:		
Interest on obligations	156,000	190,000
Expected return on assets	(125,000)	(133,000)
	<u>31,000</u>	<u>57,000</u>

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

The composition of the scheme assets is as follows:

	Amount held in asset class	Expected net return (% p.a.)
Equities	1,098,000	6.40%
Property	164,000	4.50%
Corporate Bonds	650,000	3.30%
Gilts	111,000	2.80%
Cash	45,000	2.30%
Strategic Investment Allocation	725,000	5.00%
Total	<u>2,793,000</u>	<u>5.00%</u>

	2013	2012
	£	£
Fair value of scheme assets	2,793,000	2,433,000
Present value of scheme liabilities	(3,866,000)	(3,820,000)
(Deficit) in the scheme	<u>(1,073,000)</u>	<u>(1,387,000)</u>

The movement in the deficit for the period was:

Deficit in the scheme at the beginning of the period	(1,387,000)	(1,748,000)
<i>Movement in the period:</i>		
Contributions paid by employer	252,000	252,000
Net return on assets	125,000	133,000
Interest on obligations	(156,000)	(190,000)
Actuarial (loss)	93,000	166,000
Deficit in the scheme at the end of the period	<u>(1,073,000)</u>	<u>(1,387,000)</u>

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

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

	2013 £	2012 £
Opening defined benefit obligation at 1 December	(3,820,000)	(4,120,000)
Interest cost	(156,000)	(190,000)
Actuarial gains	93,000	279,000
Benefits paid	17,000	211,000
Closing defined benefit obligation at 31 December	<u>(3,866,000)</u>	<u>(3,820,000)</u>

As no further benefits are accruing under the scheme.

Changes in the fair value of plan assets are as follows:	2013 £	2012 £
Opening fair value of plan assets	2,433,000	2,372,000
Expected return on assets	125,000	133,000
Actuarial losses	-	(113,000)
Contributions by employer	252,000	252,000
Benefits paid	(17,000)	(211,000)
Closing fair value of scheme assets	<u>2,793,000</u>	<u>2,433,000</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:

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit obligations	(3,866,000)	(3,820,000)	(4,120,000)	(3,757,000)	(2,961,000)
Scheme assets	2,793,000	2,433,000	2,372,000	1,965,000	1,700,000
Deficit	<u>(1,073,000)</u>	<u>(1,387,000)</u>	<u>(1,748,000)</u>	<u>(1,792,000)</u>	<u>(1,261,000)</u>
Experience adjustment arising from scheme liabilities	(15,000)	(66,000)	2,000	24,000	(133,000)
Experience adjustment arising from scheme assets	-	(113,000)	34,000	47,000	(19,000)

17. LEASING COMMITMENTS

As at 31 December 2013, the annual commitments under non-cancellable operating leases are set out below:

British Safety Council

Notes to the financial statements For the year ended 31 December 2013

	2013	2012
	£	£
Within one year	35,392	19,232
Within two to five years	20,969	2,292
	<u>56,361</u>	<u>21,524</u>

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 2013

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 2013. 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 2011 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 2013

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) Ibironke Adeagbo (Appointed 29 October 2013) Paul Cottam Graham Cowan (Appointed 29 October 2013) Nigel Davy (Resigned 29 November 2013) Mark Hardy Ian Jefferson Kevin Myers John McNamara Michael Owen John Pearce Charles Watchman (Retired 29 October 2013) Lawrence Waterman Adrian Wild (Appointed 29 October 2013) Dr Dave Woodward (Retired 29 October 2013)
Principal officers:	Alex Botha (CEO) Richard Evens (Director of commercial affairs) (from 2 September 2013) Roni Kotecha (Director of commercial affairs) (to 8 July 2013) Neal Stone (Director of policy & communications) John Phillips (Director of qualifications & standards) (to 7 February 2014) Martin Singfield (Director of finance & resources)
Company secretary:	Martin Singfield
Bankers:	Barclays Bank plc, 75 King Street, London, W6 9HY
Investment advisers:	Investec Wealth and Investment, 2 Gresham Street, London, EC2V 7QN
Auditors:	BDO LLP, 55 Baker Street, London, W1U 7EU