



**British Safety Council –
A company limited by guarantee**

Trustees' Report and Financial Statements

For the year ended 31 December 2019

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

Trustees' report and financial statements

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British Safety Council

Chair's Report
For the year ended 31 December 2019

CHAIR & CHIEF EXECUTIVE'S REPORT

Engagement with impact is at the heart of the work of the British Safety Council. But as we write this report towards the end of 2020, we acknowledge the unprecedented impact that COVID-19 has had on our activities and those of our customers and members, and we are not out of the woods yet. Many things we thought we would be focusing on have remained on hold. However, we have had some great successes with our focus on COVID-19 support for members and lobbying government. As the 'new normal' starts to take hold, we are now thinking about what activity should look like moving forward. What's certain is that we will be looking to further embrace some of the positive changes that have occurred and remove the inefficiencies.

From early 2017, our strategy has been to expand internationally particularly in India, to continue to develop our approach to health and wellbeing, with our support for Mates in Mind, to further invest in Training, such as in mental health and in VR/AR, and to invest in technology including developing the website and enabling online bookings. This strategy was designed to return the business to delivering an outturn surplus by 2020. Although at the end of 2018 we were on course to achieve this, issues within our awarding organisation during 2019 will result in this now taking longer and has required careful management of our financial position.

At our core, our activities focus on influencing employers so that they prioritise health, safety and wellbeing in the workplace. We want to pass on our expert knowledge to practitioners at every level through our publications and training and through our consultancy and audit services, so that organisations have the processes in place to protect their workforce. We want people to thrive and we want the workplace to promote wellbeing, enhancing quality of life and not detracting from it. Talking to our members and communicating our vision is vital to achieving those goals. Through our numerous events during 2019, we successfully brought together health and safety professionals from thousands of organisations with shared interests, to help shape workplaces from a health, safety and wellbeing perspective.

But we also want to shape the broader political and societal context in which we all operate, communicating on behalf of our members and the sector to policymakers and influencers. In 2019, we launched a major new campaign, Time to Breathe, focused on the impact of air pollution on workers. We also started narrowing our focus on a new campaign around presenteeism. With the impact that COVID-19 has had on the mental health of workers, this area of focus is even more relevant. In India and in the Middle East we built on our reputation as a leading voice in a growing sector.

2019 also saw us recognising the great work so many members do in striving for ever higher standards in health, safety and environmental management and our awards schemes remain the most prestigious in the industry. In total 509 organisations, of all sizes and sectors from across the world, won an International Safety Award and our surveys showed that this influenced a far greater number.

Mates in Mind continued to go from strength to strength in 2019. During its first two years of action, it has enabled hundreds of organisations within construction to transform the mental health culture of their workplaces. Through tailored programmes, it has supported organisations of all sizes to start vital conversations about mental health. Due to its successes within the construction sector, it has gained recognition across a range of industries. As a result of this, Mates in Mind expanded its focus in 2019 to include workers in industries beyond construction, enabling all UK workplaces to drive a positive change. However, whilst delighted to be supporting organisations across additional sectors, it remains committed to supporting construction and achieving its target of reaching 75% of the construction industry by 2025.

All of this activity across the group has had a powerful impact. Building capability in employers, supporting health and safety managers and demanding high standards makes workplaces safer. Listening to our members gives us a voice to call for action from government, the regulator and enforcement agencies.

British Safety Council

Chair's Report (continued)
For the year ended 31 December 2019

CHAIRMAN & CHIEF EXECUTIVE'S REPORT (continued)

And we must not forget that we could not undertake this vital part of our mission without the resources that come from our members, customers and supporters.

The British Safety Council has always operated not-for-profit, investing the income we make from training, audits, membership and awards back into our campaigning and philanthropy – here in the UK, UAE and in India. We are a registered charity, with all that entails, and we fundraise through our products and services to deliver on our vision.

Since the COVID-19 pandemic struck many people have died or been seriously damaged by the virus. But the global numbers remain smaller than the toll of workers killed, injured or made ill through their work – so our mission to make workplaces safer and healthier remains vital and must continue.



.....
Lawrence Waterman
29 December 2020



.....
Mike Robinson
29 December 2020

British Safety Council

Report of the Trustees For the year ended 31 December 2019

The Trustees' report is also a Directors' report as required by chapter 5 part 15 of the Companies Act 2006, and all charity Trustees are company Directors.

1. OUR COMMITMENT TO HEALTH AND SAFETY

We are committed to promoting the health, safety and wellbeing of our staff, associates and others affected by our work, in line with legislation and best practice. Our health, safety and our quality management systems are subject to regular review by external auditors, and we maintained certification against ISO 9001. Additionally, during the year the organisation's previous ISO 18001 certification was upgraded to 45001, which put us in line with the best in market.

The Executive team monitor health, safety and quality management reviewing performance monthly, and our health and safety committee meets quarterly.

New staff receive a comprehensive induction programme which includes health and safety training relevant to their role, and this is refreshed on at least an annual basis through digital learning. Staff also have an opportunity to undertake health and safety qualifications as part of their ongoing development.

In 2019, we continued our focus on ISO45001, audit and legislative updates, offering seminars on throughout the year.

2. OBJECTIVES AND ACTIVITIES

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

2.1. Our charitable objects

The charity's objects, as set out in its governing document, 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. Our vision, mission and strategy

Our vision is that *"no one should be injured or made ill through their work"*, whilst our mission is that *"we strive to keep people as safe and healthy as possible in their work through education and practical guidance"*.

Our strategy, which underpins both our vision and mission, is to:

- Undertake a range of charitable activities, aimed at both businesses and individuals, which seek to improve their occupational health and safety capabilities and performance; and
- Promote excellence in workplace health and safety management across the world by working with our member organisations and by influencing the health and safety agenda.

These activities are described in more detail in sections 2.3 and 3 below.

From a financial perspective, our strategy is to generate a surplus on our revenue generating activities (i.e. our primary purpose trading activities), and to use this surplus, together with our investment income, to fund our non-revenue generating activities, which largely comprise *Influencing the health and safety agenda*.

The charity Trustees believe that the British Safety Council's vision, mission and strategy fully reflect our charitable objects.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

Our activities

Our main activities, undertaken to further the charity's purposes for the public benefit, are grouped under the following headings:

Improving organisational performance through information and recognition

We are committed to sharing information and best practice techniques to support organisations in the continual improvement of health and safety performance across the world. Our magazine, Safety Management, continues to carry contemporary news features and information to our members and subscribers, and this is supported by a range of electronic newsletters and social media engagement.

We facilitate and co-ordinate members sector interest groups, bringing together senior health and safety professionals from a wide range of organisations to share ideas, information and experience, and to help shape our thought leadership and policy engagement.

We also host conferences in the UK, Middle East and India as well as contributing to conferences and events across the globe in collaboration with partner organisations. We offer a programme of continuing professional development sessions on a free of charge basis at exhibitions across the UK which include updates on such issues as occupational health and wellbeing, legislative trends and the ISO 45001 standard.

Our International Safety Awards and Sword / Globe of Honour Awards continue to recognise commitment and excellence in health, safety and environmental management, and we seek to promote learning from our award winners through the publication of case studies.

Improving individual's capability through qualifications and assessments, and widening reach through innovative and efficient delivery methods

British Safety Council recognise the value of measuring attainment from learning through assessment and offer a suite of qualifications and digital learning that are flexible, cost effective and inclusive in their delivery methods enabling employers and individuals to increase their knowledge and competence. We have invested in qualifications relevant to the current challenges of employers including Certificates in Managing Stress. Better trained and assessed staff deliver higher levels of performance in all aspects of health, safety, wellbeing and environmental management and practice.

Enhancing organisations' performance through audit and advisory

We believe that continual improvement of health, safety and environmental management systems and practices is key to responsible and effective corporate governance, and we continue to offer a range of auditing and accreditation services to provide independent verification in these areas for business across the world.

Our Five Star Audit Programmes for health, safety and environmental management audit remain best in class. We also provide audit certification services aligned to ISO 45001 and ISO 14001.

Improving individuals' performance through education and training

Our education team is committed to supporting competence development, utilising the very latest in educational strategies and technologies both online and in the class-room, enhancing the learning experience in a safe environment.

Influencing the health and safety agenda

We continue to drive and shape the health and safety agenda, working with our members and stakeholders across the world to gather information, evidence and ideas to shape our policy positions and guide development of thought leadership material. We also keep members in the UK and internationally updated on the latest thinking via our monthly policy newsletter.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

2.3. Our activities (continued)

The charity Trustees have assessed and are satisfied that 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.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Financial performance

The charity Trustees measure the financial performance of the group against a budget set by them for the year. The main performance indicators are total income and net income for the year compared with the corresponding budgeted amounts.

During 2019, the group's total income for the year of £10,043,922 fell short the budget of £10,292,879 by £248,957. Similarly, the group's net expenditure (before gains/losses on investment assets and actuarial losses on defined benefit pension) of (£650,402) was less than the budgeted net expenditure of (£329,155) by £321,247, mostly due to impacts from the reduction in income from qualifications & assessments due to fall in regulated qualifications from compliance investigations.

3.2 Promoting the importance of health and safety

The British Safety Council continues to engage with a range of stakeholders, including Government, regulators, politicians, business, trade and professional bodies, academic and research organisations and charities, both in the United Kingdom and internationally, to promote sensible and proportionate regulation and management of workplace health, safety and wellbeing, as well as environmental protection.

An important aspect of this work is campaigning and during 2019 we launched a new campaign on air quality: Time to Breathe. The campaign highlights the impact of air pollution on outdoor workers. We are calling for the government to adopt the World Health Organisation's (WHO) air pollution targets and to improve air quality measurement across the UK. We are also calling on the Health and Safety Executive (HSE) to recognise air pollution as an occupational hazard. At the heart of the campaign is a new app – Canary, developed in conjunction with King's College London.

Over the course of 2019, British Safety Council significantly increased engagement with Indian media. Chief Executive, Mike Robinson, was for example the keynote speaker at several high-profile conferences including the International Process Safety Conference, in New Delhi where he spoke about best practice audit and the India OSH Conference in Mumbai where he spoke on the future of work and wellbeing.

At the end of 2018, we published our literature review on wellbeing: Not just free fruit: wellbeing at work and released three new video interviews with Dame Carol Black, former government adviser on health and the workplace on Wellbeing in the Workplace; Wellbeing and SME's and Wellbeing for Line Managers. These have been viewed by over 4,000 people. We also hosted a roundtable chaired by Peter McGettrick, board member of the British Safety Council. Attendees included Professor Dame Carol Black, Professor Cary Cooper, Norman Lamb MP and representatives from Aon, the HSE, Royal Mail, Tideway, Vitality and the TUC. The roundtable covered a wide range of topics including the nature of workplace wellbeing, how to manage and measure wellbeing and how to incentivise companies to adopt wellbeing practices.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

3.2 Promoting the importance of health and safety (continued)

Following consultation with British Safety Council staff and stakeholders and a series of workshops and brainstorms, it was agreed that we would develop a new campaign on workplace presenteeism. Our work in 2019 and sessions at our annual conference looked at the growing phenomenon of presenteeism and its impact on workplace wellbeing. At the annual conference several speakers talked about presenteeism, its steady rise following the 2008 financial crisis and its wider impact on workplace wellbeing.

We have continued to meet regularly with key decision makers in the industry, to discuss strategic and legislative developments at a high level and other developments including legislative reform, research and campaigns.

We have also continued to develop our press and media profile and raise awareness of our work through our publications and social media platforms. British Safety Council secured strong media coverage in 2019. In total we secured 2,101 pieces of global coverage and 901 pieces of coverage in the UK, including 235 about Mates in Mind – a significant increase in coverage and reach on 2018.

Key stories included our commentary on the importance of wearing seatbelts following a car accident involving Prince Philip in the Sun. Time to Breathe was extensively covered including by the Times and the Financial Times at the launch of the campaign in March and throughout the year. Our events continue to score strong coverage globally, both when the International Safety Awards are announced and at the awards ceremony itself.

3.3 Building understanding and capability

We continued to deliver products and services to our members and other organisations, individuals and stakeholders, both in the United Kingdom and internationally to help build awareness and knowledge, to support the development of capability and competence. This is facilitated through the delivery of health, safety and environmental information (publications and events), advice, audits, training and awards.

Our education team continued to revise their portfolio adding new products and services, with a firm focus on development of new, contemporary products to support our strategic aims with particular emphasis on programmes in wellbeing and mental health, in line with increasing demand and our other activities in these areas across the business.

In 2019, we were awarded Gold Learning Partner status by NEBOSH. This means we have 'greatly exceeded' the required standard in terms of learning environment, quality of course materials, quality of tutors, learner support and quality assurance (of 650 course providers, only 80 have gold status).

Our magazine, Safety Management, and the supporting topic guides and posters, continued to be a major component of communication with our member organisations and subscribers. We continue to use our UK / Indian magazines and accompanying electronic newsletters, social media platforms and films to share information, knowledge, expertise and thought leadership to help promote proportionate and effective management of health, safety and environmental protection as a key enabler for business and social and community activity.

3.4 Committing to leadership and worker engagement

The British Safety Council continues to promote strong visible leadership on health and safety and the active engagement of the workforce as core components of effective risk management. We use our own knowledge and expertise and that of our member organisations to inform, educate and share best practice.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

3.4. Committing to leadership and worker engagement (continued)

Our two award schemes continue to play an important role in encouraging and rewarding health, safety and environmental management excellence. To be successful in our International Safety Award scheme and/or our Sword of Honour and Globe of Honour award schemes, applicants must demonstrate that effective leadership and commitment, together with active workforce participation, are prominent within their respective organisations

Various promotional activities have ensured that the awards maintain a key role in the yearly calendar. Our Sword of Honour / Globe of Honour awards are wholly dependent on organisations achieving a Five Star outcome from the audit process and then submitting successful applications. As such, our plans have continued to include supporting clients who have achieved 4 Star outcomes in the audit process onwards on their journey to winning awards.

British Safety Council is constantly revising and developing the International Safety Awards to keep them relevant to businesses worldwide and to motivate companies to achieve highest standards in health, safety and wellbeing. The awards, in their 62nd year, recognise and reward organisations that have demonstrated a true commitment to achieving high standards of health and safety during the 2019 calendar year. The awards are now open to organisations of all sizes, types and sectors – both members of British Safety Council and non-members, in the UK and internationally. In 2019, there were several new awards designed to recognise specific health, safety and wellbeing achievements, including the James Tye Award, the Health and Safety Transformation Award and the CEO Award.

Our audit and consultancy products and services continued to expand through planned product development together with opportunities presented by changes in market trends and specific sector standard changes and requirements. We continue to utilise the array of expertise in the full-time staff and Associate pool to develop leading and well-respected products.

Our Five Star Audit products remain best in class, assuring high performance and supporting continual improvement in health safety and environmental management.

3.5 Sharing knowledge and experience

We have continued to share knowledge, expertise and thought leadership through an extensive programme of conferences, seminars and events.

The highlight of our events calendar was our 11th Annual Conference in London in October. Keynote speakers included Prof Cary Cooper (Manchester University), a world-leading expert in workplace wellbeing and Professor David Fishwick, Chief Medical Adviser to the Health and Safety Executive.

We attended several major health and safety expos providing delegates with information on health and safety audits and upcoming legislative changes in London, Birmingham, Manchester and Glasgow. At the Health and Safety North expo in October 2019 the British Safety Council was the official educational partner with Western Business Exhibitions and provided seminar and panels on health and safety legislation, sentencing guidelines, leadership, health and wellbeing and mental health.

British Safety Council ran seminars on digital learning, ISO 45001, our Time to Breathe campaign and mental health at the Safety and Health Expo June 2019, the UK's largest health and safety exhibition. We ran conferences in Bahrain, Dubai and – for the first time – in Mumbai covering the future workplace, leadership, culture, wellbeing and ISO45001.

The British Safety Council's sector interest groups bring together health and safety professionals from organisations with shared interest and across specific sectors. We ran sector interest groups for:

- Manufacturing, transport and logistics
- Healthcare
- Construction

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

3.5. Sharing knowledge and experience (continued)

- Stadia
- Retail
- Housing and local authorities.

Sector interest groups meet three to four times a year, usually rotating between members' premises. They comprise a policy update from the British Safety Council and an opportunity to share in confidence recent successes and times things have gone wrong – "Share with pain, share with pride". A brief note of meetings is sent to members. In addition to regular agenda items, the British Safety Council invites guest speakers of interest and the hosts often provide a tour of their site. Topics covered in 2019 included the implementation of ISO 45001, preparation for Brexit, developments in UK politics, mental health and wellbeing, and protecting lone workers.

British Safety Council secured strong media coverage in 2019. Key stories included our commentary on the importance of wearing seatbelts following a car accident involving Prince Philip in the Sun. Time to Breathe was extensively covered including by the Times and the Financial Times at the launch of the campaign in March and throughout the year. Our events continue to score strong coverage globally, both when the International Safety Awards are announced and at the awards ceremony itself.

Our monthly magazine Safety Management was published in 11 monthly editions. The new Safety Management microsite was finished, and design changes incorporated into the print edition. British Safety Council staff continued to contribute regularly to trade press across the sector.

3.6. Scottish activities

The British Safety Council retains a strong and active membership in Scotland drawn from sectors including construction, energy and utilities, manufacturing, public services and transport.

3.7. Fundraising activities

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as income from charitable activities under "Improving individual's performance through education and training" and includes donations and grants.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Executive team, which is accountable to the Trustees.

The charity is not bound by any regulatory scheme and, given the small scale of our fund raising, the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; we do not approach individuals for funds nor do we consider it necessary to design specific procedures to monitor such activities.

3.8. Disabled employees

The Group welcomes applications for employment from disabled persons and appoints where the candidate's aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

3.9. Disabled employees (continued)

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

4. FINANCIAL REVIEW (including Strategic Report)

4.1. Performance of the group and charity

The principal funding sources of the group in the reporting period were income from its primary purpose trading activities and investment income.

The group's income for the year totalled £10,043,922 which was £402,863 or 4% more than the £9,641,059 achieved in 2018. This largely reflects increased income from the group's primary purpose trading activities, which grew by £291,703 in the year to reach £9,468,429. The main contributors to this growth were the provision of auditing and advisory services, which increased by 28%.

The group's expenditure in the year totalled £10,794,436 which represents a decrease of £225,611 on the £11,020,047 incurred in 2018. This decrease largely reflects additional costs associated with the group's primary purpose trading activities, which decreased by £212,591 in the year to reach £10,750,305.

The group incurred a net deficit, before gains on our investment assets and losses associated with the legacy pension scheme, of £750,514, which represents a favourable movement £628,474 on the deficit of £1,378,988 achieved in 2018.

With gains in investment funds of £1,400,916 (2018: £731,352 loss) and an actuarial loss in the legacy pension scheme of £224,000 (2018: gain of £84,000) the overall increase of funds in the year was £426,402 compared with a decrease of £2,026,340 in 2018.

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 capability through qualifications and assessments;
- Enhancing organisational performance through auditing and advice;
- Improving individual 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 23 – 25 and related notes:

British Safety Council

Report of the Trustees (continued) For the year ended 31 December 2019

Net income/(expenditure) by activity

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from donations and grants	-	158,683	158,683	84,387
Improving organisation performance through information, recognition	111,708	-	111,708	(10,679)
Improving individual's capability through qualifications, assessments	(360,059)	-	(360,059)	182,363
Enhancing organisations performance through auditing & advisory	(89,097)	-	(89,097)	(466,048)
Improving individual's performance through education & training	(157,607)	(329,987)	(487,594)	(874,822)
Influencing the health and safety agenda	(456,834)	-	(456,834)	(616,984)
Investment income net of management costs	372,679	-	372,679	322,795
Gain/(loss) on investment assets	1,400,916	-	1,400,916	(731,352)
Transfers between funds	(155,682)	155,682	-	-
Net income/(expenditure)	666,024	(15,622)	650,402	(2,110,340)
Actuarial gains/(losses) on defined benefit pension scheme	(224,000)	-	(224,000)	84,000
Net Movement in Funds	442,024	(15,622)	426,402	(2,026,340)

Improving organisations performance through information and recognition generated income of £2,106,188 during 2019 from membership subscriptions, our events and awards and publications. This was £16,808 higher than the £2,089,380 achieved in 2018 mainly due to a small increase in the number of members. Overall expenditure on these activities in 2019 decreased by £105,579 to £1,994,480 (2018: £2,100,059).

Income from *Improving individual capability through qualifications and assessments* has decreased by £621,637 to £985,792 (2018: £1,607,429) reflecting a reduction in our regulated qualifications. Expenditure was £1,345,851 in 2019 (2018: £1,425,066), which is £79,215 less than the previous year.

Income from *Enhancing organisational performance through auditing and advisory* come from the fees charged for the provision of audit and consultancy services. Income of £2,403,118 in 2019 (2018: £1,874,998) represents an increase of £528,120 compared to 2018. Expenditure increased from £2,341,046 in 2018 to £2,492,215 in 2019.

Income from activities relating to our aim of *Improving individual performance through education and training* is from the fees charged for the provision of training and e-learning solutions. Income of £3,973,331 in 2019 (2018: £3,604,919) was up by £368,412. However, expenditure decreased by £18,816 to £4,460,925 from £4,479,741 in 2018.

Expenditure incurred to support *Influencing the health and safety agenda* decreased by £160,150 to £456,834 in 2019 (2018: £616,964).

The British Safety Council received investment income of £416,810 in 2019 (2018: £379,946) which is an increase of £36,864 on the previous year. This increase is primarily due to higher dividends received on its UK equity investments in 2019. The net gains on our investment portfolio were £1,400,916 (2018: loss of £731,352) which reflected market conditions.

The FRS102 actuarial loss on our legacy pension scheme in 2019 was £224,000 compared with a gain of £84,000 in the previous year. The last triennial actuarial review of the scheme was completed as at 1 October 2018. As a result of COVID-19, due to the lowering of gilts, the pension deficit will have increased, the actual extent of the increase will be largely dependent upon gilts when the next triennial valuation is performed as at 1 October 2021.

4.2. 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.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

4.2. Assets (continued)

The land and buildings have been included in the accounts at a carrying value of £1,801,243 (2018: £1,833,743).

The British Safety Council has invested in equities and fixed interest stocks. On 31 December 2019, the value of the portfolio was £11,875,194 (2018: £11,109,650).

4.3. Position of the group at the year-end

The charitable funds at 31 December 2019 were:

	Undesignated funds £	Designated funds £	Restricted funds £	Pension reserve £	Total funds £
Tangible fixed assets		2,729,822	7,870		2,737,692
Investments	11,875,194				11,875,194
Current assets/liabilities	(1,234,230)		(42,252)		(1,276,482)
Pension liability				(1,619,000)	(1,619,000)
Total funds	10,640,964	2,729,822	(34,382)	(1,619,000)	11,717,404

4.4. Reserves

The group's reserves are those unrestricted funds that are freely available to spend on any of the charity's purposes. They therefore exclude tangible fixed assets held for the group's own use, amounts designated for essential future spending and amounts set aside to match the amount of the group's defined benefit pension liability. They also exclude reserves held by Mates in Mind, a subsidiary of the charity, which are restricted.

The charity Trustees designated funds totalling £2,729,822 (2018: £2,953,932), which match the net book value of the group's tangible fixed assets excluding those held by Mates In Mind. Remaining unrestricted funds (excluding the pension reserve) amount to £10,640,964 (2018: £10,042,831). The charity's free reserves amount to £9,021,964 (2018: £8,355,831). The charity's free reserves in 2020 have been impacted by COVID-19 though continue to be above the minimum level set by trustees. Due to business restructuring in 2020 the charity will start 2021 with a lower cost base. As a result of this restructuring the charity is not budgeting to use any of its free reserves in its budget or worst case scenarios. All cash requirements for revenue, non-revenue activities and Capex will come from trading activities.

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:
- 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 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.

Note 11 provides further information about the designated and unrestricted reserves.

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Report of the Trustees (continued)
For the year ended 31 December 2019

4.5. Subsidiaries

The charity has three 100% owned subsidiaries:

- a) British Safety Council Sales Ltd, which trades in the United Arab Emirates
- b) Mates in Mind, which is a charitable company; and
- c) British Safety Council (India) LLP.

Except for British Safety Council (India) LLP, which is incorporated in India, all subsidiaries are registered in England and Wales. Summary results of the subsidiaries are set out at Note 7.

Complywise Ltd, which provided health safety and compliance e-learning solutions for businesses, ceased trading during 2018 and was dissolved and struck off the Register of Companies on 5 February 2019. During 2018, Complywise Ltd incurred a net deficit of £192,646 which largely reflected the cost of winding down the company. Upon dissolution, the company had accumulated losses of £2,748,411 which matched its share capital. Prior to the company ceasing to trade, the business of the company was gradually transferred to the British Safety Council and all liabilities of the company were discharged in full.

4.6. Investment policy

Our investment policy is established in accordance with the charity's articles of association. Under these, the charity enjoys wide investment powers, specifically to:

- Invest funds;
- 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 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. Day to day management of our investments has been delegated to the professional fund manager, Investec Wealth & Investment Ltd.

The overall objectives set out in our investment policy are to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration of future needs and the maintenance of and, if possible, enhancement of the value of the invested funds while they are retained.

The long-term objective of the portfolio is a total return of RPI plus 3.5% p.a. underpinned by an income yield of approximately 3% p.a. The portfolio delivered a total return of 16.0% versus a benchmark return of 14.9%. The objective is to be achieved by investing in a mix of equities, bonds, commercial property and other asset classes.

4.7. Pension liabilities

The charity is the principal employer of a defined benefit scheme, which is closed to new entrants and no future benefits are accruing. The charity's liability for the scheme's obligations (net of scheme assets), as determined by an independent actuary, at the year-end amounted to £1,619,000 (2018: £1,687,000). The charity Trustees' policy is to maintain a pension reserve equal in value to this net defined benefit liability, and to maintain free reserves at a level of at least £5 million, in part to provide support for the charity's obligations to the pension scheme.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

4.7. Pension liabilities (continued)

In 2016, the charity entered a deficit recovery plan with the pension scheme Trustees, under which the charity makes contributions to the scheme of £336,000 per year from 1 October 2016 with the deficit eliminated by 30 June 2021 with a one-off lump sum payment of just over £1m. In April 2020, due to COVID-19 the trustees took the decision to delay the monthly repayments for ten months from May to settle with the lump sum payment in June 2021, however payments were caught up in December 2020.

4.8. Principal risks and uncertainties facing the group

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

- **Financial risk management**

Our activities expose us to several 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 credit risk is attributable to trade receivables, which is managed through credit control processes.

- **Market risk**

Our investments are subject to market movements that may result in realised and unrealised losses. We manage this risk through the use of professional fund managers. Our investment policy is explained on page 12.

- **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 group maintains significant reserves, which are largely backed by our investment fund. A significant proportion of our investments are held in cash and bonds, which are available to meet our liabilities as and when they fall due.

4.9. Going concern

After making enquiries, the charity Trustees have a reasonable expectation that the group and charity have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Trustee report and financial statements.

The charity Trustees consider that there are no material uncertainties about the group's ability to continue.

The trustees are aware that in February 2019 Ofqual began an investigation into the regulated qualifications business which may result in a potential fine and possible restriction of the future regulated qualifications business. The charity has withdrawn from all regulated qualifications for new applications, with the regulated qualifications business continuing to decline. Based on the size of the regulated qualifications business (£600k) in relation to the total unrestricted income for BSC, £10,044k (See Consolidated Statement of Financial activities), and the size of BSC's Investments, £11,875k (See Note 7 Investments), any potential penalty and restrictions would not have an impact on BSC as a going concern.

4.9. Going concern (continued)

The trustees are supportive of the charity's response to COVID-19. The effect of COVID-19 has been assessed by the trustees by reviewing the charity's ongoing forecasts and projections during bi-monthly COVID-19 meetings to ensure that the charity remains financially viable. With regards to the next accounting period, the year ending 31 December 2020, the most significant areas that will affect the charity's net assets are the level of income, investment fund performance and dividends and an increase in the liabilities of the defined benefit pension scheme. Since the year-end, as a result of the effects of COVID-19, all these areas have deteriorated. The investment fund and returns are down due to falls in the stock markets and lower dividends. The pension fund liabilities have increased with the change in bond yields. As a result, like all other charities, the Trustees have made some difficult decisions to reduce costs with a substantial number of staff put on furlough and a restructuring of the charity at the end of October reducing staff numbers by a third. The restructuring of the business, reducing staff numbers by a third, has significantly cut the cost base. This together with a shift in product mix to higher margin products with a projected deferral of the one-off pension fund deficit recovery mean the charity starts 2021 with a strong cash position and won't need to use its free reserves in 2021. The charity is also projecting to return to a surplus in 2022. The charity has significantly improved its forecasting and budgeting process for 2021-23 using internally created models for best and worst case scenario planning which have given the trustees confidence in the charity's cash flow position covering 2021-23 as a going concern.

5. FUTURE PLANS

COVID-19 has had a huge impact on our organisation, whether that's financial or people related, like so many others. Although we have weathered the continuing storm well due to strong, quick and decisive action, there are actions that we need to take in 2020/21 and beyond to ensure that the organisation bounces back. Embracing the positive changes that have happened and removing inefficiencies will be a key part of this. We will also be a smaller organisation than in the past but with a firm platform from which to grow back to previous levels and beyond. Specific actions include:

- More agility as an organisation:
 - Faster decision making
 - Increased productivity & efficiency
 - A start-up mentality
 - Improvements to performance monitoring
 - Continuous strategic development, with a move away from being a static project led organisation, to being a more dynamic and sensitive to market needs.
- Working arrangements
 - UK - making the most of the move to remote working during the 2020 COVID-19 lockdown, with a hybrid approach moving forward, making remote working more sustainable for most staff.
 - India - similar hybrid approach to the UK but with a smaller space than before, in a shared building, used to get staff together for specific purposes.
- Technology - We will continue to embrace the importance of technology in what we do, to support a more efficient and sustainable business. With our new hybrid approach to working, activity will reflect on us being a more virtual approach. We also aim to keep at the forefront of emerging thinking, making us stand out from our competitors.
- Focus on wellbeing - We will be the first organisation to sign up to the new Being Well Together programme. We need to be more joined-up and consistent with our wellbeing focus, like many other organisations.
- Culture - There are many great things about our culture but there are issues too. Starting at the top, we plan to focus on kind, authentic leadership. We will lead with compassion and warmth, kind words and actions, recognition and trust. A key part of this will be a change in behaviours.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

5. FUTURE PLANS (Continued)

The Customer - we will implement a more agile approach and a new account management structure that will enable us to deliver a better customer experience, where the focus will centre on customer need rather than organisational profile. We will also continue to join up more effectively between British Safety Council and Mates in Mind, particularly when it comes to the Being Well Together programme.

- Education - Face to face training, digital learning and qualifications areas will be brought together within a new education team. Among other benefits, this will better enable us to focus on a 'flipped classroom' approach, seamlessly blending Live Online / digital and face to face support. We will also move to unregulated assessment to support the training activity.
- Audit and consultancy:
 - A full bottom-up review will take place of our five-star audit services
 - We will launch a new five-star wellbeing audit, which will form part of the being Well Together programme
 - New wellbeing specific consultancy services will be launched in partnership with Mates in Mind
 - We will continue to focus on promoting our unique COVID-19 Assurance Assessment services.
- Membership - we will continue to embrace opportunities to enhance our offering where COVID-19 allows, ahead of a full strategic review later in the year. Communications and cross team working will also be improved.
- Being Well Together - we envisage that the launch of the Being Well Together programme will have a large positive impact on our business moving forward. It provides the opportunity to both support existing customers and members but also embrace a new type of customer, for example financial services. We also envisage that the people we have most contact with will be in the human resources areas rather than our traditional health and safety contacts.
- Mates in Mind – will continue to champion mental health and broaden its reach through expansion of its partnerships and programmes into new industries. Campaigning for sensible legislation, regulation and application in the workplace will enable Mates in Mind to continue to raise the profile of mental health issues in the workplace, particularly in a post COVID-19 world.
- 2021 Business Planning and Budgeting – has incorporated what if scenario planning which will allow us to be more agile.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

6. STRUCTURE, GOVERNANCE AND MANAGEMENT

6.1. Governing document

The governance arrangements are set out in the British Safety Council's articles of association as updated on 19 April 2011.

6.2. Structure

At 31 December 2019, the British Safety Council group comprises the British Safety Council and three wholly owned subsidiaries, British Safety Council (India) LLP, British Safety Council Sales Ltd, and Mates in Mind. The report of the charity Trustees, strategic report and consolidated financial statements cover the charitable entity and the three subsidiaries.

The charity is a company limited by guarantee not having a share capital incorporated in England and Wales. The charity and its subsidiary charity Mates In Mind are registered charities in England and Wales with the Charity Commission and with the Office of the Scottish Charity Regulator in Scotland. The members¹ are the charity 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.

6.3. Our Board and Management

Our Board of charity 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, 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 charity Trustees have delegated management of the group to the Chief Executive who reports on performance against the strategic plans and budget approved by the charity Trustees. The Chief Executive is supported by the Executive team, each member of which is responsible for discrete organisational functions. The names of the Chief Executive and Executive team members are set out on the last page of this document.

The Board of charity Trustees exercise its oversight and assurance role through a range of means. Our Board is structured as follows:

- **Board of Trustees**

The main Board of charity Trustees meets at least quarterly to review performance and to shape the longer-term future of the organisation in partnership with the Chief Executive and Executive team.

- **Audit and Risk Committee**

The audit and risk committee meets at least twice each year to review the group's system of internal control and its risk register. The committee also oversees the audit of the group's report and financial statements.

- **Investment Committee**

The investment committee meets at least twice each year to review the charity's reserves policy, investment strategy and performance of the investment fund.

¹ Within the meaning of section 112 of the Companies Act 2006.

6.3. Our Board and Management (continued)

- **Policy and Communications Committee**

The policy and communications committee meets 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 three times per year 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 November and additionally as required. With regards 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 him. 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 regards 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 regarding any changes. All the charity Trustees have been appointed through personal recommendation or public advertisements, followed by interview.

On appointment, charity 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 the charity Trustees have experience at senior levels in other professional and voluntary capacities. Charity Trustees are encouraged to attend further training.

6.4. Risk Management

The charity Trustees are responsible for the group's risk management and the effectiveness of internal control systems. As part of the group's regular procedures the charity Trustees and Executive team examine and review the major risks to which the group is exposed. An impact analysis has been undertaken, responsibilities defined, and actions taken to manage those risks, wherever possible. The charity Trustees are satisfied that those major risks as identified have been adequately managed, where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. To this end the risk analysis schedules are presented bi-annually at the audit and risk committee and annually to the Board of Trustees. The biggest risk to the charity is the economic and market risk and uncertainty created by COVID-19 with the biggest global recession in 300 years. With businesses looking to cut their discretionary spend and membership and training considered discretionary spend these areas of the charity are considered to be more at risk by a prolonged economic impact from COVID-19. The charity has taken the following measures to mitigate this risk: product and process digitisation, diversifying to meet client requirements and continual process improvements,

The financial risk of the charity not being able to meet its business plan in light of COVID-19 has been mitigated through the restructuring to reduce fixed costs and tracking and monitoring of the business through forecasting.

The financial risk of adverse impacts to the charity's investment fund are considered high. The investment fund's free reserves are considered crucial to the charity from a rainy day perspective, to

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

6.4. Risk Management (continued)

give the charity the ability to pursue its charitable causes and invest in the expansion of the charity in the future. The investment fund has been impacted by COVID-19.

The charity is also monitoring the potential financial risk of Brexit and what that might mean for the charity.

7. REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details of the charity are set out on page 45.

British Safety Council

Report of the Trustees (continued)
For the year ended 31 December 2019

Trustees' responsibilities for the consolidated financial statements

The charity 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 charity Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the charity Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing the financial statements, the charity 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 charity Trustees are responsible for keeping adequate 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 charity 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 charity 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 re-appointed as auditors in accordance with section 485 (4) of the Companies Act 2006.



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Lawrence Waterman on behalf of the Board

The annual report and strategic report were approved by the Board on 18 December 2020 and signed on its behalf on 29 December 2020.

British Safety Council

Independent Auditor's Report
For the year ended 31 December 2019

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

Opinion

We have audited the financial statements of British Safety Council ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the consolidated statement of financial activities (incorporating an income and expenditure statement), the consolidated and parent charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2019 and of the Group's incoming resources and application of resources 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 in 2010.

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The other information comprises: the Chair's Report. The Trustees are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

British Safety Council

Independent Auditor's Report (continued)
For the year ended 31 December 2019

Other information (continued)

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Report of the Trustees, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Report of the Trustees.

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

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities for the consolidated financial statements, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

British Safety Council

Independent Auditor's Report (continued)
For the year ended 31 December 2019

Auditor's responsibilities for the audit of the financial statements

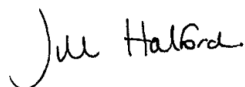
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company'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 Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date: 29 December 2020

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 Statement) For the year ending 31 December 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
INCOME							
Income from donations and grants		-	158,683	158,683	-	84,387	84,387
Income from charitable activities							
Improving organisation performance through information and recognition		2,106,188	-	2,106,188	2,089,380	-	2,089,380
Improving individual's capability through qualifications and assessments		985,792	-	985,792	1,607,429	-	1,607,429
Enhancing organisations performance through auditing and advisory		2,403,118	-	2,403,118	1,874,998	-	1,874,998
Improving individual's performance through education and training		3,746,536	226,795	3,973,331	3,489,899	115,020	3,604,919
Investment income							
Investment income	2	416,810	-	416,810	379,946	-	379,946
TOTAL INCOME		9,658,444	385,478	10,043,922	9,441,652	199,407	9,641,059
EXPENDITURE							
Expenditure on charitable activities							
Improving organisation performance through information and recognition		(1,994,480)	-	(1,994,480)	(2,100,059)	-	(2,100,059)
Improving individual's capability through qualifications, assessments		(1,345,851)	-	(1,345,851)	(1,425,066)	-	(1,425,066)
Enhancing organisations performance through auditing and advisory		(2,492,215)	-	(2,492,215)	(2,341,046)	-	(2,341,046)
Improving individual's performance through education and training		(3,904,143)	(556,782)	(4,460,925)	(4,113,586)	(366,155)	(4,479,741)
Influencing the health and safety agenda		(456,834)	-	(456,834)	(616,984)	-	(616,984)
Investment management costs		(44,131)	-	(44,131)	(57,151)	-	(57,151)
TOTAL EXPENDITURE	3	(10,237,654)	(556,782)	(10,794,436)	(10,653,892)	(366,155)	(11,020,047)
Net gains/(losses) on investment assets	7	1,400,916	-	1,400,916	(731,352)	-	(731,352)
NET INCOME		821,706	(171,304)	650,402	(1,943,592)	(166,748)	(2,110,340)
Transfer between funds							
Actuarial (losses)/gains on defined benefit pension scheme	16	(155,682)	155,682	-	(123,182)	123,182	-
		(224,000)	-	(224,000)	84,000	-	84,000
NET MOVEMENT IN FUNDS		442,024	(15,622)	426,402	(1,982,774)	(43,566)	(2,026,340)
RECONCILIATION OF FUNDS							
Total funds brought forward at 1 January		11,309,763	(18,761)	11,291,002	13,292,537	24,805	13,317,342
Total funds carried forward at 31 December		11,751,787	(34,383)	11,717,404	11,309,763	(18,761)	11,291,002

All of the above results are derived from continuing and unrestricted activities. The loss for the year for Companies Act purposes was £385,623 (2018: £655,163). The accompanying accounting policies and notes form an integral part of these financial statements.

British Safety Council

Consolidated and parent charity balance sheets As at 31 December 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Tangible assets	6	2,737,692	2,957,168	2,723,932	2,951,278
Investments	7	11,875,194	11,109,651	12,136,664	11,371,121
		<u>14,612,886</u>	<u>14,066,819</u>	<u>14,860,596</u>	<u>14,322,399</u>
Current assets					
Stock		6,302	6,302	6,303	6,303
Debtors	8	2,112,084	1,220,303	1,890,132	1,139,968
Bank & Cash		855,091	1,187,680	711,056	1,064,073
		<u>2,973,477</u>	<u>2,414,285</u>	<u>2,607,491</u>	<u>2,210,344</u>
Creditors: amounts falling due within one year	9	(4,249,959)	(3,503,102)	(3,857,867)	(3,328,889)
Net current liabilities		<u>(1,276,482)</u>	<u>(1,088,817)</u>	<u>(1,250,376)</u>	<u>(1,118,545)</u>
Total assets less net current liabilities		<u>13,336,404</u>	<u>12,978,002</u>	<u>13,610,220</u>	<u>13,203,854</u>
Net assets excluding pension liability		<u>13,336,404</u>	<u>12,978,002</u>	<u>13,610,220</u>	<u>13,203,854</u>
Defined benefit pension scheme liability	16	(1,619,000)	(1,687,000)	(1,619,000)	(1,687,000)
NET ASSETS		<u>11,717,404</u>	<u>11,291,002</u>	<u>11,991,220</u>	<u>11,516,854</u>
Funds					
	12				
Unrestricted funds - designated		2,729,822	2,953,932	2,723,932	2,951,278
Unrestricted funds - undesignated		7,184,669	7,352,080	7,429,993	7,561,823
Unrestricted funds - pension reserve		(1,619,000)	(1,687,000)	(1,619,000)	(1,687,000)
Restricted Mates In Mind		(34,382)	(18,761)	-	-
Revaluation Reserve		3,456,295	2,690,751	3,456,295	2,690,753
TOTAL FUNDS		<u>11,717,404</u>	<u>11,291,002</u>	<u>11,991,220</u>	<u>11,516,854</u>

The charitable company has elected to take exemption under section 408 of the Companies Act 2006 not to present the charitable company statement of financial activities. The net surplus for the charitable company for the year was £474,366 (2018: £1,741,483 - deficit).

The financial statements were approved and authorised for issue on 18 December 2020 and signed on 29 December.



.....
Lawrence Waterman, 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 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net cash outflow from operating activities	<u>(1,174,622)</u>	<u>(1,435,180)</u>
Cash flows from investing activities:		
Returns on investments and servicing of finance	416,810	379,946
Purchase of tangible fixed assets	(210,150)	(488,384)
Purchase of investments	(854,772)	(1,801,298)
Proceeds from sale of investments	1,490,145	4,159,966
Net cash inflow from investing activities	<u>842,033</u>	<u>2,250,230</u>
Change in Cash flow for the year	(332,589)	815,050
Cash in bank and at hand at 1 January	1,187,680	372,630
Cash in bank and at hand at 31 December	<u>855,091</u>	<u>1,187,680</u>
Reconciliation of net expenditure to net cash outflow from operating activities:		
Net expenditure for the reporting period (as per the statement of financial activities)	426,402	(2,026,340)
Investment income	(416,810)	(379,946)
Net gains on investments	(1,400,916)	731,352
Depreciation charge	429,626	327,530
Difference between pension contributions and FRS 102 charge	(68,000)	(375,000)
Increase in debtors	(891,781)	547,567
Increase in creditors	746,857	(260,343)
Net cash outflow from operating activities	<u>(1,174,622)</u>	<u>(1,435,180)</u>

1. PRINCIPAL ACCOUNTING POLICIES

Significant judgements, key assumptions and estimates

The preparation of the financial statements in conformity with generally accepted accounting practice requires the charity Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The key estimates and assumptions used in these consolidated financial statements are set out below:

Defined benefit pension obligations

The financial statements include costs in relation to, and provision for, defined benefit pension obligations. The costs and the present value of any related pension assets and liabilities depend on such factors as life expectancy of the members, the returns that scheme assets generate and the discount rate used to calculate the present value of the liabilities. The charity Trustees use impartial actuarial advice to select the values of critical estimates.

Impairment of investments in subsidiaries

Investments in subsidiaries are held at cost. Impairment reviews are undertaken annually to ensure the carrying value at the balance sheet date is lower than the recoverable amount. The recoverable amount has been assessed using estimations of sales growth and profitability of the subsidiaries over a two year forecast period. Future financial forecasts for BSC India LLP show profitable growth in excess of cost. On that basis the Trustees believe the carrying value should not be impaired.

Basis of preparation

The financial statements have been prepared:

- a) Under the historical cost convention, except for investments, which are included at fair value.
- b) In sterling, which is the functional currency of the group.
- c) In accordance with FRS102, the statement of recommended practice 'Accounting and Reporting by Charities' (SORP 2019) and applicable company and charitable law in the UK. The charity is a public benefit entity, as defined by FRS 102. The accounting policies adopted by the charity Trustees are described below.
- d) On the going concern basis.

As outlined in paragraph 4.9 of the Report of the Trustees, the Trustees are aware of an ongoing investigation into the regulated qualifications business which may result in a potential fine and possible restriction of the future regulated qualifications business.

The Trustees have given consideration to a number of factors when assessing BSC's expectation to continue as a going concern, namely:

- The size of the regulated qualifications business (£600k) in relation to the total income for BSC, £9,658k (see Consolidated Statement of Financial Activities);
- As a result of the COVID-19 pandemic, the Trustees have reviewed the organisations ongoing forecasts to ensure the charity remain financially viable. With regards to the next accounting period, the main impact on the charity's net assets have been a decline in income and the value of the investment fund and dividends as well as an increase in the liabilities of the defined benefit pension scheme. As a result the Trustees have supported the charity in decisive action to reduce costs and cash flow outflows through a restructuring of its cost base and pension deficit recovery plan as well as making use of the government furlough scheme. As a result of this and the charity exceeding its revised COVID-19 forecasts for 2020, the Trustees have confidence in the charity's ability to achieve its 2021-23 business plans, without the need to amend the free reserves policy, with a lower cost base and revised pension deficit recovery plan spanning five years.
- The budget and cashflow forecast for at least 36months from the date of signing the Trustees' Report and Financial Statements, including reasonable worst case scenarios; and

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

- The level of unrestricted reserves, £6,291k, excluding fixed assets and resources allocated to the pension scheme.

Having taken all of these factors into account, the Trustees have a reasonable expectation that BSC has adequate resources to continue operating for the foreseeable future and, for this reason, has continued to adopt the going concern basis for preparation of the financial statements.

The charity has taken advantage of the exemption from presenting its unconsolidated Statement of Financial Activities (SOFA) under section 408 of the Companies Act 2006 and its unconsolidated Statement of Cash Flows under section 1.12 of FRS102.

Basis of consolidation

The consolidated financial statements incorporate the results of British Safety Council, and all its subsidiary undertakings on a line by line basis.

Fund accounting

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

Restricted funds are funds held on specific trusts.

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

Tangible fixed assets and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

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.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised immediately in the SOFA.

Investments in subsidiaries

Investments in subsidiaries are carried in the charity's balance sheet at cost less any provision for impairment.

The charity assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the charity makes an estimate of the recoverable amount. If the net assets of the subsidiary unit are less than the value of the investment, the investment is considered to be impaired and is written down to its net asset amount. An impairment loss is recognised immediately in the SOFA.

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Investments other than in subsidiaries

Equity investments are recognised initially at the transaction price. Subsequently, they are measured at fair value, which is taken as the stock exchange bid price value at the balance sheet date.

Any gain or loss on revaluation is credited/charged to the SOFA.

Trade debtors

Trade debtors are recognised at the undiscounted amount of cash receivable from the customer, less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Income

Incoming resources represent the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Revenue from the rendering of services, including training courses, audit services, qualifications and publications is recognised by reference to the stage of completion. 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.

Donations and grants are recognised when received or when the charity is entitled to the income and receipt is probable and measurable. Gifts in kind (representing donations of services) is the fair value of the gift, usually the cost to the donor.

Investment income is recognised on a receivable basis.

Expenditure

All resources expensed are accounted for on an accruals basis and are allotted directly to the activity to which they relate. Support costs including governance, management, finance, information technology, human resources and the cost of our defined contribution pension scheme are apportioned between our activities.

Product development expenditure is written off as incurred.

Irrecoverable VAT is included in the expense item to which it relates.

Trade creditors

Trade creditors are recognised at the undiscounted amount owed to the supplier.

Operating leases

Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the lease term.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Termination benefits

Termination benefits are payable when employment is terminated by the group. The group recognises termination benefits as a charge in the SOFA when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

Defined contribution pension scheme

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

Defined benefit pension scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit 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/charity.

The current service cost and costs from settlements and curtailments are charged against expenditure on charitable activities. 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 in income/ expenditure on charitable activities. Actuarial gains and losses are reported separately on the face of the SOFA as part of the net movement in funds.

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 (continued)
For the year ended 31 December 2019

2. INCOME

2.1. Investment income

	2019	2018
	£	£
From UK investments		
Deposit interest	2,366	2,203
Equities	224,496	185,865
Unit and investment trusts	33,117	24,068
Fixed interest bonds	39,089	41,221
Alternatives	91,074	88,758
	390,142	342,115
UK quoted securities		
Overseas investment trusts	26,668	37,831
	416,810	379,946

2.2. Geographical analysis

During 2019 the group derived 27% (2018: 26%) of its income from charitable activities outside of the United Kingdom.

3. BREAKDOWN OF RESOURCES EXPENDED (GROUP)

	2019			2018		
	Activities undertaken directly £	Support costs £	Total £	Activities undertaken directly £	Support costs £	Total £
Charitable activities						
Improving organisation performance through information and recognition	1,391,109	603,371	1,994,480	1,410,313	689,746	2,100,059
Improving individual's capability through qualifications and assessments	857,725	488,126	1,345,851	921,142	503,924	1,425,066
Enhancing or organisations performance through auditing and advisory	1,886,688	605,527	2,492,215	1,701,692	639,354	2,341,046
Improving individuals' performance through education and training	3,203,759	1,257,166	4,460,925	3,286,262	1,193,479	4,479,741
Influencing the Health and Safety agenda	301,207	155,627	456,834	437,461	179,523	616,984
Investment management costs	44,131	-	44,131	57,151	-	57,151
	7,684,619	3,109,817	10,794,436	7,814,021	3,206,026	11,020,047
Total resources expended	7,684,619	3,109,817	10,794,436	7,814,021	3,206,026	11,020,047

British Safety Council

Notes to the financial statements (continued) For the year ended 31 December 2019

3.1. Support cost allocations

2019

	Improving organisation performance through information, recognition £	Improving individual's capability through qualifications, assessments £	Enhancing organisations performance through auditing & advisory £	Improving individual's performance through education & training £	Influencing the health and safety agenda £	Total costs £
Governance	58,950	47,690	59,161	122,826	15,205	303,832
Management and administration	140,699	113,825	141,202	293,156	36,290	725,172
Human resources	51,580	41,728	51,764	107,471	13,304	265,847
Finance	246,136	199,124	247,015	512,841	63,486	1,268,602
IT	106,006	85,759	106,385	220,872	27,342	546,364
Total	603,371	488,126	605,527	1,257,166	155,627	3,109,817

2018

	Improving organisation performance through information, recognition £	Improving individual's capability through qualifications, assessments £	Enhancing organisations performance through auditing & advisory £	Improving individual's performance through education & training £	Influencing the health and safety agenda £	Total costs £
Governance	48,899	54,283	35,959	58,670	30,857	228,668
Management and administration	310,070	344,214	228,019	425,811	195,669	1,503,783
Human resources	29,607	32,867	21,773	36,724	18,684	139,655
Additional pension scheme costs	3,849	4,273	2,831	4,619	2,429	18,001
Finance	200,151	222,192	147,188	240,148	126,305	935,984
IT	80,921	89,832	59,508	98,611	51,065	379,937
Total	673,497	747,661	495,278	864,583	425,009	3,206,028

Support costs were all allocated based on percentage allocation of direct costs.

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

3.2. Total expenditure has been arrived at after charging:

	2019	2018
	£	£
Staff costs (note 4)	5,961,006	6,286,656
Expenses reimbursed to trustees or paid directly to third parties (note 5)	15,296	19,562
Depreciation of owned assets (note 6)	429,626	327,530
Operating lease payments recognised as an expense	23,141	23,141
Auditor's remuneration - additional fees in respect of 2018 audit	10,000	-
Auditor's remuneration - auditing the group accounts	40,500	36,553
Auditor's remuneration - auditing the subsidiary accounts	11,300	6,095
Auditor's remuneration - tax compliance services	7,395	5,125
Auditor's remuneration - other services	-	2,050
	<u>-</u>	<u>2,050</u>

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

4. STAFF COSTS (GROUP)

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	5,139,236	5,392,061
Redundancy costs	6,826	44,736
Social security costs	524,175	582,030
Expense for defined contribution pension schemes	246,769	222,829
Expense for defined benefit pension schemes (note 16)	44,000	45,000
	5,961,006	6,286,656

The average number of persons employed by the group during the period, analysed by activity was:

	2019	2018
	Number	Number
Improving organisation performance through information & recognition	21	19
Improving individual's capability through qualifications & assessments	23	25
Enhancing organisations performance through auditing & advisory	11	9
Improving individuals' performance through education & training	24	27
Influencing the H&S agenda	12	15
Supporting activities	20	26
	111	121

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

	2019	2018
	Number	Number
£60,001 - £70,000	5	3
£70,001 - £80,000	3	2
£80,001 - £90,000	3	1
£90,001 - £100,000	2	-
£100,001 - £110,000	-	3
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	1
£170,001 - £180,000	-	-
£180,001 - £190,000	-	-
	14	10

1 employee earning £60,000 or more (2018: 1) was a deferred member of the defined benefit pension scheme and was a key management personnel.

14 employees earning £60,000 or more (2018: 10) were members of the defined contribution pension scheme, and contributions amounting to £77,243 (2018: £68,412) were paid on their behalf.

4 key management personnel were members of the defined contribution pension scheme, contributions amounting to £34,800 were paid on their behalf.

Total benefits (including social security costs) in respect of key management personnel during the year were £741,426 (2018: £861,073).

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

5. TRUSTEES EXPENSES

The charity Trustees incurred travel, accommodation, subsistence and venue costs in fulfilling their duties. These costs were either reimbursed to the charity Trustees or paid directly to third parties. The total amount of expenses reimbursed to charity Trustees or paid directly to third parties during the year amounted to £15,269 (2018: £19,589). The number of charity Trustees reimbursed for expenses or who had expenses paid directly by the charity was 9 Trustees (2018: 7).

Indemnity insurance is provided for the charity Trustees. The premium paid during the year amounted to £2,296 (2018: £2,296).

6. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £	Office refurbishment £	Office furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 January 2019	3,012,500	1,404,390	423,532	2,576,636	7,417,058
Additions	-	-	-	210,150	210,150
At 31 December 2019	3,012,500	1,404,390	423,532	2,786,786	7,627,208
Depreciation					
At 1 January 2019	1,178,757	1,229,077	302,529	1,749,527	4,459,890
Provided in year	32,500	70,312	25,551	301,263	429,626
At 31 December 2019	1,211,257	1,299,389	328,080	2,050,790	4,889,516
Net book value					
At 31 December 2019	1,801,243	105,001	95,452	735,996	2,737,692
At 31 December 2018	1,833,743	175,313	121,003	827,109	2,957,168

The freehold land and buildings are used for carrying out charitable activities and function as the head office of the group, with no impairments in the year due to no exceptional circumstances in the year occurring to give rise to any suggestion that the assets are overvalued.

CHARITY

	Freehold land and buildings £	Office refurbishment £	Office furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 January 2019	3,012,500	1,404,390	423,532	2,569,257	7,409,679
Additions	-	-	-	201,039	201,039
At 31 December 2019	3,012,500	1,404,390	423,532	2,770,296	7,610,718
Depreciation					
At 1 January 2019	1,178,757	1,229,077	302,529	1,748,038	4,458,401
Provided in year	32,500	70,312	25,551	300,022	428,385
At 31 December 2019	1,211,257	1,299,389	328,080	2,048,060	4,886,786
Net book value					
At 31 December 2019	1,801,243	105,001	95,452	722,236	2,723,932
At 31 December 2018	1,833,743	175,313	121,003	821,219	2,951,278

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

7. INVESTMENTS

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Movements on Listed investments				
Fair value of 1 January	11,109,651	14,199,671	11,109,651	14,199,671
Acquisitions at cost	854,772	1,801,299	854,772	1,801,299
Disposal at carrying value	(1,490,145)	(4,159,967)	(1,490,145)	(4,159,967)
Net (losses)/gains realised and on revaluation at 31 December	1,400,916	(731,352)	1,400,916	(731,352)
	11,875,194	11,109,651	11,875,194	11,109,651
Movements on Equity investments in group undertakings				
Cost less provision for impairment at 1 January	-	-	261,470	153,200
Investment in new subsidiary	-	-	-	213,267
Impairment in carrying value of subsidiary	-	-	-	(104,997)
	-	-	261,470	261,470
UK quoted securities				
Equities	4,004,687	3,936,527	4,004,687	3,936,527
Fixed interest bonds	1,453,859	1,332,069	1,453,859	1,332,069
Investment and unit trusts	1,244,732	887,659	1,244,732	887,659
Public sector fixed interest	611,355	499,625	611,355	499,625
Alternative assets	1,911,568	1,980,362	1,911,568	1,980,362
Total UK quoted securities	9,226,201	8,636,242	9,226,201	8,636,242
UK quoted overseas securities				
Investment and unit trusts	2,648,993	2,473,409	2,648,993	2,473,409
Total UK quoted overseas securities	2,648,993	2,473,409	2,648,993	2,473,409
Investment in subsidiaries	-	-	261,470	261,470
Total value at 31 December	11,875,194	11,109,651	12,136,664	11,371,121
Historical cost at 31 December	8,113,035	8,418,899	8,479,502	8,680,368

There were no security holdings with a market value of greater than 5% of the total portfolio at 31 December 2019 (2018: one).

	2019	2018
Charities Property Fund – Property Fund Income	3.6%	5.1%

British Safety Council

Notes to the financial statements (continued) For the year ended 31 December 2019

British Safety Council (India) LLP, British Safety Council Sales Ltd (company No: 1236862) and Mates in Mind (company No:10338868, charity No: 1172460) are wholly owned subsidiaries of the British Safety Council. Complywise Ltd (company No: 06720413), was dissolved on 5th February 2019. The audited results of the charity's wholly owned subsidiaries for the year ended 31 December 2019:

	British Safety Council LLP	British Safety Council Sales Ltd	Mates in Mind 2019
	2019	2019	2019
	£	£	£
Income and expenditure			
Turnover	452,133	299,717	590,782
Cost of sales & administrative expenses	(495,955)	(299,653)	(606,403)
Tax on profit		(5,973)	
Net movement in funds/net loss	<u>(43,822)</u>	<u>(5,909)</u>	<u>(15,621)</u>
Balance sheets			
Tangible fixed assets	5,890	-	7,870
Debtors	159,030	112,609	180,754
Cash at bank and in hand	76,325	22,823	44,887
Creditors: amounts falling due less than one year	(244,740)	(109,903)	(267,893)
Net assets/(liabilities)	<u>(3,495)</u>	<u>25,529</u>	<u>(34,382)</u>
Ordinary shares	40,327	999	(18,761)
Profit & loss account	(43,822)	24,530	(15,621)
Equity shareholders' funds/(deficit)	<u>(3,495)</u>	<u>25,529</u>	<u>(34,382)</u>

for the year ended 31 December 2018:

	British Safety Council LLP	British Safety Council Sales Ltd	Mates in Mind 2018	Complywise Ltd 2018
	2018	2018	2018	2018
	£	£	£	£
Income and expenditure				
Turnover	111,019	335,298	382,128	28,645
Cost of sales & administrative expenses	(322,848)	(303,860)	(399,624)	(220,886)
Net movement in funds/net loss	<u>(211,829)</u>	<u>31,438</u>	<u>(17,496)</u>	<u>(192,241)</u>
Balance sheets				
Tangible fixed assets	2,654		3,236	
Debtors	74,155	86,820	153,686	-
Cash at bank and in hand	104,325	2,381	16,901	-
Creditors: amounts falling due less than one year	(147,228)	(57,763)	(192,584)	-
Net assets/(liabilities)	<u>33,906</u>	<u>31,438</u>	<u>(18,761)</u>	<u>-</u>
Ordinary shares	270,961	999	-	2,748,411
Profit & loss account	(237,055)	30,439	(18,761)	(2,748,411)
Equity shareholders' funds/(deficit)	<u>33,906</u>	<u>31,438</u>	<u>(18,761)</u>	<u>-</u>

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

8. DEBTORS

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	1,794,606	1,008,556	1,462,332	770,824
Other debtors	51,745	52,257	49,177	52,257
Due from subsidiary undertaking	-	-	122,391	161,406
Prepayments and accrued income	265,733	159,490	256,232	155,481
	<u>2,112,084</u>	<u>1,220,303</u>	<u>1,890,132</u>	<u>1,139,968</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	979,445	150,629	911,119	131,425
Other creditors	29,552	14,643	17,503	8,311
Due to subsidiary undertaking	-	-	108,055	97,090
Taxation and social security	249,603	377,458	291,831	360,986
Accruals	623,940	801,559	482,007	767,284
Deferred income (note 10)	2,367,419	2,158,813	2,047,352	1,963,793
	<u>4,249,959</u>	<u>3,503,102</u>	<u>3,857,867</u>	<u>3,328,889</u>

10. DEFERRED INCOME

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Deferred income as at 1 January	2,158,814	2,062,818	1,963,794	1,988,371
Deferred incoming resources	7,648,017	6,493,084	6,169,268	6,169,268
Release of deferred income	(7,439,412)	(6,397,089)	(6,085,710)	(6,193,846)
Deferred income as at 31 December	<u>2,367,419</u>	<u>2,158,813</u>	<u>2,047,352</u>	<u>1,963,793</u>

Income is recognised in accordance with the accounting policies set out on page 28. Income which has been invoiced before it can be recognised is deferred until the recognition criteria are met.

British Safety Council

Notes to the financial statements (continued) For the year ended 31 December 2019

11. SUMMARY OF MOVEMENTS IN FUNDS (GROUP)

Movements in funds during the year ended 31 December 2019 were as follows:

	1 January 2019 £	Income £	Expenditure £	Actuarial gain/(loss) £	Investment gain/(loss) £	Transfers £	At 31 December 2019 £
Unrestricted funds							
Undesignated Funds:	10,042,831	9,658,444	(10,100,028)		1,400,916	(365,833)	10,636,330
Fixed asset designated fund:	2,953,932		(429,626)			210,150	2,734,456
Unrestricted funds	12,996,763	9,658,444	(10,529,654)	-	1,400,916	(155,683)	13,370,786
Restricted	(18,761)	385,478	(556,782)			155,683	(34,382)
Pension reserve	(1,687,000)	-	292,000	(224,000)	-	-	(1,619,000)
Total funds	11,291,002	10,043,922	(10,794,436)	(224,000)	1,400,916	-	11,717,404

Movements in funds during the year ended 31 December 2018 were as follows:

	At 1 January 2018 £	Income £	Expenditure £	Actuarial gain £	Investment gain £	Transfers £	At 31 December 2018 £
Unrestricted funds							
Undesignated Funds:	12,558,223	9,441,651	(10,617,362)	-	(731,352)	(608,329)	10,042,831
Designated fund:	2,796,315	-	(327,530)	-	-	485,147	2,953,932
	15,354,538	9,441,651	(10,944,892)	-	(731,352)	(123,182)	12,996,763
Restricted funds - Mates in Mind	24,805	199,407	(366,155)			123,182	(18,761)
Pension reserve	(2,062,000)	-	291,000	84,000	-	-	(1,687,000)
Total funds	13,317,343	9,641,058	(11,020,047)	84,000	(731,352)	(0)	11,291,002

11.1. Restricted funds

Funds held by Mates in Mind, which is itself a charitable company, are classed as restricted funds, as these cannot be spent or applied at the discretion of the British Safety Council's Trustees.

11.2. Designated funds

The Board's policy is to designate funds to match the value of the group's tangible fixed assets and for essential future spending. At 31 December 2019, the only designated fund was in respect of tangible fixed assets. This fund matches the net book value of the fixed assets at the financial year end.

In the year, there were £210,150 (2018: £485,147) worth of fixed asset additions and a depreciation charge of £429,626 (2018: £327,530). Therefore, £210,150 (2018: £485,147) was transferred from undesignated funds to cover fixed asset additions.

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

Fund balances at 31 December 2019 are represented by:

	Undesignated funds £	Designated funds £	Restricted funds Mates in Mind £	Pension reserve £	Total funds £
Tangible fixed assets	-	2,729,822	7,870	-	2,737,692
Investments	11,875,194	-	-	-	11,875,194
Current assets/(liabilities)	(1,234,230)	-	(42,252)	-	(1,276,482)
Pension liability	-	-	-	(1,619,000)	(1,619,000)
Total funds	10,640,964	2,729,822	(34,382)	(1,619,000)	11,717,404

Fund balances at 31 December 2018 are represented by:

	Undesignated funds £	Designated funds £	Restricted funds Mates in Mind £	Pension reserve £	Total funds £
Tangible fixed assets	-	2,953,932	3,236	-	2,957,168
Investments	11,109,651	-	-	-	11,109,651
Current assets/(liabilities)	(1,066,820)	-	(21,997)	-	(1,088,817)
Pension liability	-	-	-	(1,687,000)	(1,687,000)
Total funds	10,042,831	2,953,932	(18,761)	(1,687,000)	11,291,002

13. CAPITAL COMMITMENTS (GROUP AND CHARITY)

At the year-end, the group and charity had entered into capital commitments amounting to £nil (2018: £nil).

14. PROVISIONS FOR LIABILITIES, CONTINGENT ASSETS AND LIABILITIES (GROUP AND CHARITY)

At the year-end, the group and charity had no provisions for liabilities or contingent assets (2018: £nil). As referenced in Note 15, a contingent liability has been recognised in respect of Ofqual's investigation into BSC's regulated qualification business. It is not possible to estimate reliably the potential liability arising from their investigation (2018: £nil).

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

In February 2019 Ofqual began an investigation into BSC's approved centre controls regarding BSC's Ofqual regulated qualification business. In October 2019 Ofqual agreed to an undertaking by BSC to address specific areas of operation through hiring an Ofqual approved independent consultant to audit BSC operational and compliance activity and report directly back to Ofqual. This work was completed between November 2019 and February 2020 with no significant adverse findings and all improvement suggestions satisfactorily closed out at the subsequent review by the independent auditor in February 2020. Both reports were submitted to Ofqual. The Undertaking was closed by Ofqual in March 2020.

In January 2020 BSC applied to Ofqual to withdraw the Level 1 in Construction in Health and Safety Qualification that had been subject of organised criminal activity and was granted approval by Ofqual in March 2020.

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

15. EVENTS AFTER THE END OF THE REPORTING PERIOD (continued)

In March 2020 Ofqual also postponed a meeting with their Legal, Moderation and Enforcement Team for the purposes of Ofqual considering potential regulatory action (including fine) against BSC. At the date of signing the accounts we are unable to determine the outcome of the investigation, therefore we continue to consider this to give rise to a contingent liability, not a provision.

Post year end on 28 January 2020 the board took the decision to discontinue with the regulated qualifications business.

BSC has since withdrawn from providing all regulated qualifications to new applications with regulated qualifications business expected to end by April 2022.

16. POST EMPLOYMENT BENEFITS (GROUP AND CHARITY)

The charity participates in two retirement benefit schemes, a defined contribution scheme and a defined benefit scheme.

16.1. Defined contribution scheme

The charity operates a defined contribution group personal pension scheme. All eligible employees are automatically enrolled into the scheme in accordance with current legislation. The scheme is administered by Aviva Life Services Ltd.

The amount recognised in the SOFA as an expense for the defined contribution scheme is disclosed at Note 4.

16.2. Defined benefit scheme

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 the charity. The scheme is closed, and no future benefits are accruing.

The scheme Trustees' policy is to ensure that the statutory funding objective is met by holding sufficient and appropriate assets to cover the value of benefits accrued up to the triennial valuation date.

The most recent triennial actuarial valuation of the scheme was carried out as at 1 October 2018. This has been updated for the purposes of these financial statements to 31 December 2019 by a qualified actuary. In doing so the actuary made approximate allowance for: a) the payment of benefits; b) the different effective date of the calculations; and c) several different actuarial assumptions.

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

	31 December 2019	31 December 2018	31 December 2017	31 December 2016
	(%)	(%)	(%)	(%)
Discount rate	2.0	2.9	2.4	2.6
Retail Price Inflation	3.2	3.4	3.4	3.4
Consumer Price Inflation	2.3	2.5	2.5	2.5
Pension escalation in payment			3.0	3.0
- Pension Earned Before 1/10/92	3.0	3.0		
- Pension Earned After 1/10/92	3.2			

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

16.2. Defined benefit scheme (continued)

Assumed life expectancy in years, on retirement, at 65 is:

	31 December 2019 (years)	31 December 2018 (years)
Retiring today		
Males	20.1	20.9
Females	22.3	22.8
 Retiring in 20 years		
Males	21.4	22.0
Females	23.7	24.0

Amounts recognised in the SOFA are as follows:

	2019 £	2018 £
Included in expenditure:		
Interest on obligations	158,000	140,000
Expected return on assets	(114,000)	(95,000)
	44,000	45,000

Amounts recognised in other comprehensive income are as follows:

	2019 £	2018 £
Actual return less interest income included in net interest income	408,000	(389,000)
Experience gains or losses arising on scheme liabilities	2,000	(155,000)
Changes in assumptions underlying the present value of scheme liabilities	(634,000)	628,000
Actuarial (losses)/gains on defined benefit pension scheme	(224,000)	84,000

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

The major categories of scheme assets as a percentage of total scheme assets, and expected return, are as follows:

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

16.2. Defined benefit scheme (continued)

	2019	2018
Equities	71%	41%
Property	1%	2%
Corporate Bonds	13%	4%
Gilts	11%	32%
Cash	4%	5%
Derivatives and other investments	0%	16%
Total	100%	100%

	2019	2018
	£	£
Actual return on plan assets	522,000	(294,000)

The deficit in the scheme was:

	2019	2018
	£	£
Fair value of scheme assets	4,601,000	3,785,000
Present value of scheme liabilities	(6,220,000)	(5,472,000)
Net (liability)	(1,619,000)	(1,687,000)

The movement in the deficit for the period was:

	2019	2018
	£	£
Deficit in the scheme at the beginning of the period	(1,687,000)	(2,062,000)
<i>Movement in the period:</i>		
Contributions paid by employer	336,000	336,000
Net return on assets	114,000	95,000
Interest on obligations	(158,000)	(140,000)
Actuarial (loss)/gain	(224,000)	84,000
Deficit in the scheme at the end of the period	(1,619,000)	(1,687,000)

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

	2019	2018
	£	£
Opening defined benefit obligation at 1 January	(5,472,000)	(5,838,000)
Interest cost	(158,000)	(140,000)
Actuarial (loss)/gain	(632,000)	473,000
Benefits paid	42,000	33,000
Closing defined benefit obligation at 31 December	(6,220,000)	(5,472,000)

As no further benefits are accruing under the scheme.

Changes in the fair value of scheme assets were as follows:

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

16.2. Defined benefit scheme (continued)

Closing defined benefit obligation at 31 December (continued)

	2019	2018
	£	£
Opening fair value of scheme assets	3,785,000	3,776,000
Expected return on assets	114,000	95,000
Actuarial losses	408,000	(389,000)
Contributions by employer	336,000	336,000
Benefits paid	(42,000)	(33,000)
Closing fair value of scheme assets	4,601,000	3,785,000

The scheme Trustees and the charity had agreed a deficit recovery plan under which the charity would contribute £336,000 to the pension scheme in each accounting period through to June 2021, when it was estimated that the deficit on the pension scheme would be eliminated with a £1.1m lump sum payment.

17. LEASING COMMITMENTS (GROUP AND CHARITY)

At the year-end, the total of future minimum lease payments under non-cancellable operating leases for each of the following periods was:

	2019	2018
	£	£
Not later than one year	9,840	38,843
Later than one year and not later than five years	-	9,840
	9,840	48,683

18. TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

18.1. Trustees

The charity Trustees received no remuneration for their services to the charity during the year (2018: £Nil).

18.2. Key management personnel

All senior employees who have authority and responsibility for planning, directing and controlling the activities of the group are key management personnel. The names of those individuals who served as key management personnel during the year ended 31 December 2019 are set out on page 45. Total benefits (including social security costs) in respect of key management personnel during the year was £741,426 (2018: £861,073).

18.3. Intra-group transactions

During the year the charity charged Mates In Mind fees of £38,600 (2018: £44,183) in respect of management services provided by the charity to Mates In Mind, and licence fees in the amount of £1,750 (2018: £12,096) in respect of Mates In Mind's use of the charity's Start the Conversation training materials.

British Safety Council

Notes to the financial statements (continued)
For the year ended 31 December 2019

18. TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES (continued)

18.3. Intra-group transactions (continued)

The charity also granted Mates In Mind core funding amounting to £95,066 (2018: £92,711). The charity incurred referral fees amounting to £79,138. (2018: £68,637) payable to Mates In Mind. The charity also charged BSC Sales Limited fees of £73,060 in respect of management services provided.

At the year end the net balance due between the charity and each of its subsidiaries was:

	Due to/(from) charity	
	2019	2018
	£	£
British Safety Council (India) LLP	64,847	(68,508)
British Safety Council Sales Ltd	57,533	96,559
Mates In Mind	(108,055)	(97,100)

The above are services delivered in line with charitable objects. There are no other related party transactions.

18.4. Financial Instruments - Group

With the exception of investments of £11,875,194 held at fair value, the group's basic financial instruments are measured at amortised cost. All financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

	2019	2018
	£	£
<u>Financial assets - at amortised cost:</u>		
Debtors	1,857,441	1,065,922
Cash	855,091	1,187,680
	<u>2,712,532</u>	<u>2,253,602</u>
<u>Financial liabilities - at amortised cost:</u>		
Creditors: amounts falling due within one year	<u>(1,632,937)</u>	<u>(966,831)</u>

British Safety Council

Reference and administrative details
For the year ended 31 December 2019

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:	Lawrence Waterman Mark Hardy Philip White Samantha Peters Peter McGettrick Simon Phillips Stephen Grix David Collins Jennie Armstrong (from 18 March 2020) Prasad Bangalore (from 18 March 2020) Alex Hutchings (from 18 March 2020) Arun Muttreja (from 18 March 2020) Babajide Olagundoe (from 30 October 2018 to 2 July 2019) David Walsh (from 07 August 2018 to 29 January 2019) Matthew Speight (from 30 January 2018 to 5 August 2019) Ian Crook (from 30 January 2018 to 10 September 2019)	
Key management:	Michael Robinson	Chief Executive
	Paul Fakley	Engagement director
	James Rudoni	Managing Director Mates In Mind
	Roni Kotecha	Managing Director Audit, Training and Sales
	Jigna Patel	Managing Director Qualifications, Digital Membership & Operations
	Martin Singfield	Finance & qualifications director (to 6 June 2019)
	Nicola Richards	Director of Finance (from 17 June 2019)
	Steve Ward	Director of I.T. (from 17 June 2019)
Company secretary:	Michael Robinson Martin Singfield (Resigned on 16 April 2019)	
Banker:	Barclays Bank plc, 75 King Street, London, W6 9HY	
Investment advisers:	Investec Wealth and Investment Ltd, 2 Gresham Street, London, EC2V 7QN	
Solicitor:	Russell-Cooke Solicitors, 2 Putney Hill, London, SW15 6AB	
Auditor:	BDO LLP, 55 Baker Street, London, W1U 7EU	