



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

# **Trustees' Report and Financial Statements**

**For the year ended 31 December 2018**

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

**Trustees' report and financial statements**

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## **CHAIR'S REPORT**

After several years of improved health and safety performance across the UK, the Health and Safety Executive (HSE) reported that during 2017-18 there were 141 work-related fatalities, an increase from 135 fatalities in the previous year. Although relatively small, this increase in workplace deaths is obviously a worrying matter. It undermines the potentially complacent belief that 'we have the best safety record in the world' and raises questions about the adverse impact of the HSE's and local authorities' ability to pro-actively monitor workplaces. All these factors support the continuing need for organisations such as the British Safety Council to renew their efforts to promote health, safety and wellbeing best practice.

This renewed focus meant change played a significant part in our activities during 2018, as we refocused our efforts on delivering against our vision that "no-one should be injured or made ill through their work". In fact, during 2018 we changed our vision statement so that we don't lose sight of the fact that we are committed to ensuring peoples' health, safety and wellbeing wherever they are, not just at their place of work.

During the year we developed, upgraded and launched a significant number of additional products and services including a digital suite of wellbeing and resilience products. These developments put us in a strong position for future growth but also put pressure on our short-term finances. Not only did we deliver a completely new website, but we also became one of the first health and safety organisations to deliver a comprehensive online bookings platform. This functionality will deliver substantial savings to the group in areas such as booking of training and digital learning, as well as offering our members and customers improved levels of service such as when booking onto events or awards schemes.

The implementation of our Education Roadmap, which forms part of our educational strategy to be student centric and provide high quality learning experiences, saw the launch of several new mental health related training courses, plus the development of Augmented Reality and Virtual Reality capabilities. The British Safety Council is one of the first health and safety providers in the UK to introduce immersive technologies into its training courses, both online and in the classroom. These technologies provide a safe learning environment in which workplace errors are not only permissible but enhance the overall learning experience. Our NEBOSH pass rates are now well above the national average.

This was the first full year of operation for Mates in Mind, which ended with having reached over 185,000 workers in the construction sector and having recruited some 194 supporters and business champions, many of whom were SMEs. This meant that Mates in Mind was £62,000 ahead of budgeted income, a tremendous achievement from a base position. Financial support from British Safety Council is still required by the charity. We also built our delivery capability in mental health from zero up to 70 associates across England and Scotland

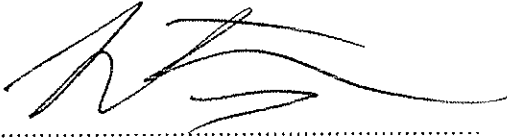
Also, from a wider group perspective, our India-based operations continued to perform extremely well and ahead of our forecasts. We supported this growth through the launch of Safety Management India Magazine and a new Indian Leadership Newsletter. In parallel, we established a ground-breaking platform in India for sharing best practice in health and safety by launching the Indian Leadership Group, which is made up of key Indian British Safety Council premium members. In India, where it is estimated that around 80% of the estimated 465 million-strong workforce are not protected by the current health and safety legal framework, we aim to raise awareness of the importance of managing health and safety risks at work. The Indian Leadership Group will provide us with insight into in-country challenges. We will benefit from the invaluable insight working with top organisations will provide, and help us to further shape and establish our services in the region, so that they are remain relevant and fit for purpose.

## **British Safety Council**

### **Chair's Report For the year ended 31 December 2018**

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There was also notable change at Board level within British Safety Council as 4 Trustees came to the end of their term and we recruited several replacements. These changes enabled us to refresh the range of skills and experience on the Board whilst retaining alignment with our intended future direction. I firmly believe that the diverse backgrounds, skills and experience of the new Trustees will help the organisation achieve its commercial and charitable goals.



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**Lawrence Waterman**  
**2 September 2019**

# British Safety Council

## Report of the Trustees For the year ended 31 December 2018

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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 maintain certification against both OHSAS 18001 and ISO 9001.

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.

This year we have focussed particularly on wellbeing and mental health, offering seminars on rest, recovery and resilience, mental health awareness and personal safety. We have also offered some yoga sessions and a range of healthy food options for breakfast and at lunchtime.

### 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*.

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### Report of the Trustees For the year ended 31 December 2018

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

#### 2.3. 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. During 2018, we expanded our publication portfolio to include an Indian specific version of *Safety Management* with its own dedicated content in addition to an Indian Leadership Newsletter targeted specifically at senior leaders driving much-needed changes within health and safety management across the region.

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 now 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

In 2004 we became a government regulated awarding organisation and offer a suite of qualifications within the national framework. We have continued to develop our portfolio of accredited qualifications to meet the needs and aspirations of our clients, enabling individuals to increase their knowledge, skills and competence, in all aspects of health, safety 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 quarterly policy newsletter.

We are currently in the process of establishing a practitioners' advisory Board which will draw upon expertise from all sectors to provide guidance and advice on contemporary health and safety issues. This forum will provide further assurance to the Board and relevant stakeholders that our strategic policy positioning, product and service development and campaigning is derived from credible and reliable information sources.

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 2018 the group's total income for the year of £9,641,059 exceeded the budget of £9,419,308 by £221,751. Similarly, the group's net expenditure (before gains/losses on investment assets and actuarial losses on defined benefit pension) of (£1,378,988) was greater than the budgeted net expenditure of £1,248,657 by £130,331.

#### **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 2018 we established specific criteria to determine which campaign areas to progress. An important part of this process is that it is consultative. The benefits of adopting this approach include improving the basis on which we develop campaign options and gaining stakeholder involvement in the campaign promotion thereby enhancing effectiveness. Also, any decision on campaign areas is fully transparent.

Last year we began a return to our traditional roots on the campaigning front and became more outspoken on issues such as the Grenfell inquiry which is still very much ongoing. We also started to prepare for new campaigns focused on air pollution and wellbeing during 2019.

The air pollution campaign results from wide ranging discussions held during 2018 with stakeholders regarding the effects of air pollution on outdoor workers. This research highlighted a lack of data around the effects of air pollution on outdoor workers and also a lack of organisations advocating protection of workers' rights in relation to this matter. We therefore started work in June with King's College London on the development of a new App (Canairy) which will enable both employers and their employees to monitor worker exposure to key elements of air pollution.

The other key area we focused on was wellbeing. We had already released the Future Risks report in 2017 which highlighted many key areas that could potentially impact worker wellbeing in the future. The wellbeing campaign was effectively a follow-on to this work and started with a poster competition 'Images of Wellbeing', which was intended to showcase images of wellbeing at work and also in an educational environment. In December we released our wellbeing literature review - 'Not just free fruit'. The report defines wellbeing in the workplace and suggests a set of metrics for measuring the effectiveness of wellbeing programmes and policies. The report, which is a comprehensive review of the existing literature and market intelligence, is a call to action for employers in Britain to place the

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### **Report of the Trustees For the year ended 31 December 2018**

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wellbeing needs of their workers at the top of the Executive agenda and reflects our approach to basing campaigns and all our work on evidence.

In October, we also started support of USDAW's Justice for Injured Workers Campaign, which seeks to oppose the Government introduction of the civil liabilities bill which will ultimately force injured workers civil claims for redress from negligent employers through the small claims process. This is likely to reduce such claimants access to legal aid support and will ultimately discourage injured parties from pursuing civil redress from their employers. We firmly believe that wherever employers are found to be negligent in the management of health and safety, there should be accountability. Workers should not be prevented from pursuing redress whenever they sustain a workplace injury or ill-health through no fault of their own simply because of financial limitations. The USDAW campaign is gathering cross-party support in parliament and we will continue to provide collaboration during 2019.

We have continued to meet regularly with key decision makers including the Chair, Chief Executive and other senior representatives from the Health and Safety Executive, 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. In fact, we achieved more press coverage in 2018 than in 2017 despite the prior year including widespread coverage of our 60<sup>th</sup> anniversary.

### **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, qualifications 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. They also developed soft skills training to complement our portfolio and increase revenue through these new programmes.

Our digital learning team also focused a great deal of attention on wellbeing and mental health and particularly immersive and engaging training with the use of innovative methods, including technology. Virtual reality and augmented reality training was introduced in August. We also continued to offer accredited qualifications across the world.

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. However, with our expanding activities in India, we took the opportunity in February to launch an Indian version of Safety Management with its own specific content as well as in August, an Indian Leadership Newsletter focused on driving changes right at the very top of Indian businesses. We continue to use both 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.



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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 included supporting clients who have achieved 4 Star outcomes in the audit process onwards on their journey to winning awards.

For the International Safety Awards, a significant amount of work has been done to make the criteria more straightforward, more accessible (particularly for international clients) and award additional bonus marks for submission of relevant evidence together with credit for pre-existing Five Star or OHSAS 18001/ISO 45001 Certification. We have also increased the number of free to enter awards in an attempt to attract new organisations, including country specific awards.

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. In 2018, we added a five-star process safety audit, launched a best-practice fire safety management audit, combined ISO 45001/Five-star health and safety audit and a range of auditor skills workshops. The launch of ISO 45001 in early 2018 presented opportunities for auditing, consultancy and gap analysis services as well as training organisations on the new standard.

Additionally, we looked to expand the client base by progressing an emphasis on international opportunities, in particular with British Safety Council India (LLP). This included improving technical support solutions for more cost-effective and process efficient delivery. The establishment of an 'in country' delivery model helped us not only deliver a more efficient service to Indian clients but also in the surrounding region.

### **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.

Our Middle East conference programme was expanded in 2018 to include Bahrain alongside Dubai. Both events attracted good attendance and featured opportunities for local members to share examples of good practice. Due to their success, we agreed a further conference in India (Mumbai) for the 2019 events programme. We also continued to offer a programme of free to attend continuing professional development sessions at regional exhibition events in Birmingham, Manchester, Glasgow and London in collaboration with Western Business Events and United Business Media.

We contributed to a number of conferences hosted by partner organisations across the UK and internationally, including: BUPA Global H&S Awards, Indian Oil event, TATA H&S Conference (India), IOS 45001 workshop (Turkey), Unipart H&S Conference and Vodafone Contractors Conference.

In November, we hosted a delegation of 6 senior health and safety professionals from Chinese Shaanxi Bureau of Quality and Technical Supervision, that enabled us to share our knowledge and expertise

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### **Report of the Trustees For the year ended 31 December 2018**

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around promotion of health, safety and wellbeing best practice and training, as well as discussing possibilities for further collaboration and communication.

We delivered five audit update and legislative briefing events in London, Birmingham and Manchester which were attended by over 80 organisations with guest speakers from Weighmans Solicitors and the HSE presenting sessions alongside our audit and technical team.

We delivered a full day seminar event in partnership with Camden Council to discuss a new approach to the safety of residents in multi-occupied premises. This was a very topical issue following the Grenfell Tower fire, and the event was well attended.

Together with a new partner, Hickman and Rose Solicitors, we held an evening CPD seminar for health and safety practitioners covering the effective management of fatal accidents, and preparation for coroners' inquests. This free to attend event (chaired by the former Chief Coroner), was held in London and attended by over 60 people.

Our Partner organisation in Turkey (DOGA) facilitated a workshop style event in Istanbul which was attended by over 80 organisations. We delivered a lively session that reviewed the content of the new IOS 45001 standard and how organisations may demonstrate meeting the requirements.

During 2018 we launched two new sector interest groups, Housing and Local Authority (October) and Retail (November). Initial engagement between members was very encouraging.

The first British Safety Council India Leadership Group took place in Mumbai at the end of November and was well attended. Although not a sector interest group as it was made up of attendees from various industries, it had a similar format to the sector interest groups within the UK. Topics discussed included: possible campaign areas; the importance of top management leadership; ISO 45001/5 Star Audits and best practice case studies.

In 2018, we issued a large number of pro-active press releases and reactive statements. This, together with other media-related activities, secured 1,263 pieces of coverage globally; 485 pieces in the UK, 187 pieces about Mates in Mind. The Opportunities to See was 323.45m; this included 127.71m in the UK and 42.35m for Mates in Mind. As a comparison, in 2017 (when there was substantial coverage of our 60th anniversary) we secured 923 pieces of coverage and 308.193m in Opportunities to See. This data shows a very favourable increase in the media coverage, in a year without a big event/news and it provides some evidence that British Safety Council is seen as a good source of information and reference for media outlets. This is the result of the last three years of focused media relations work.

During the year publisher Routledge issued the Anniversary and Wellbeing books written by British Safety Council.

### **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.

During the year we contributed to the WBE conference in Glasgow and also invested in the capability to deliver our mental health courses in Scotland including MHFA Scotland.

### **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

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### **Report of the Trustees For the year ended 31 December 2018**

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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.

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 £9,641,059 which was £290,056 or 3% more than the £9,351,003 achieved in 2017. This largely reflects increased income from the group's primary purpose trading activities, which grew by £321,818 in the year to reach £9,176,726. The main contributors to this growth were the provision of education and training, which increased by 12%.

The group's expenditure in the year totalled £11,020,047 which represents an increase of £1,209,965 on the £9,810,082 incurred in 2017. This increase largely reflects additional costs associated with the group's primary purpose trading activities, which increased by £1,202,958 in the year to reach £10,962,896.

The group incurred a net deficit, before gains on our investment assets and losses associated with the legacy pension scheme, of £1,378,988, which represents an unfavourable movement £919,909 on the deficit of £459,079 achieved in 2017.

With losses in investment funds of £731,352 (2017: £1,027,159) and an actuarial gain in the legacy pension scheme of £84,000 (2017: loss of £16,000) the overall decrease of funds in the year was £2,026,340 compared with a decrease of £552,080 in 2017.

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.

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## Report of the Trustees For the year ended 31 December 2018

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 21 – 23 and related notes:

### Net income/(expenditure) by activity

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Improving organisation performance through information, recognition	(10,679)	-	(10,679)	179,284
Improving individual's capability through qualifications, assessments	182,363	-	182,363	337,300
Enhancing organisations performance through auditing & advisory	(466,048)	-	(466,048)	(72,853)
Improving individual's performance through education & training	(623,687)	(166,748)	(790,435)	(500,912)
Influencing the health and safety agenda	(616,984)	-	(616,984)	(759,562)
Investment income net of management costs	322,795	-	322,795	357,665
Gain/(loss) on investment assets	(731,352)	-	(731,352)	1,027,159
Transfers between funds	(123,182)	123,182	-	-
<b>Net income/(expenditure)</b>	<b>(2,066,774)</b>	<b>(43,566)</b>	<b>(2,110,340)</b>	<b>568,080</b>
Actuarial gains/(losses) on defined benefit pension scheme	84,000	-	84,000	(16,000)
<b>Net Movement in Funds</b>	<b>(1,982,774)</b>	<b>(43,566)</b>	<b>(2,026,340)</b>	<b>552,080</b>

*Improving organisations performance through information and recognition* generated income of £2,089,380 during 2018 from membership subscriptions, our events and awards and publications. This was £74,851 lower than the £2,164,231 achieved in 2017 mainly due to a small reduction in the retention of members. Overall expenditure on these activities in 2018 increased by £115,111 to £2,100,059 (2017: £1,984,948).

Income from *Improving individual capability through qualifications and assessments* has increased by £53,026 to £1,607,429 (2017: £1,554,403) reflecting growth from our level 1 qualification and international diploma. Expenditure was £1,425,066 in 2018 (2017: £1,217,103), which is £207,963 more 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 £1,874,998 in 2018 (2017: £1,909,229) represents a decrease of £34,231 compared to 2017. Expenditure increased from £1,982,082 in 2017 to £2,341,046 in 2018.

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 £3,604,919 in 2018 (2017: £3,227,045) was up by £377,874. However, expenditure increased by £663,498 to £4,479,741 from £3,816,243 in 2017.

Expenditure incurred to support *Influencing the health and safety agenda* decreased by £142,578 to £616,964 in 2018 (2017: £759,562).

The British Safety Council received investment income of £379,946 in 2018 (2017: £407,809) which is a reduction of £27,863 on the previous year. This reduction is primarily due to lower dividends received on its UK equity investments in 2018. The net losses on our investment portfolio were £836,349 (2017: gain of £1,027,159) which reflected market conditions.

The FRS102 actuarial gain on our legacy pension scheme in 2018 was £84,000 compared with a loss of £16,000 in the previous year. The last triennial actuarial review of the scheme was completed as at 1 October 2018.

## British Safety Council

### Report of the Trustees For the year ended 31 December 2018

#### 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. The land and buildings have been included in the accounts at a carrying value of £1,833,743 (2017: £1,866,243).

The British Safety Council has invested in equities and fixed interest stocks. On 31 December 2018, the value of the portfolio was £11,109,651 (2017: £14,199,671).

#### 4.3. Position of the group at the year-end

The charitable funds at 31 December 2018 were:

	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)
<b>Total funds</b>	<b>10,042,831</b>	<b>2,953,932</b>	<b>(18,761)</b>	<b>(1,687,000)</b>	<b>11,291,002</b>

#### 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 £2,953,932 (2017: £2,796,314), 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 £10,042,831 (2017: £12,558,222). The charity's free reserves amount to £8,355,831 (2017: £10,496,222). Whilst this is considerably higher than the minimum level of £5,000,000 set by the Trustees, the charity's free reserves are expected to fall in 2019 as we continue to invest in our both our revenue and non-revenue generating 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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#### **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 (2017: surplus of £88,899), which largely reflected the cost of winding down the company. Upon dissolution, the company had accumulated losses of £2,748,411 (2017: £2,555,765) 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. Our investment policy prohibits direct investment in tobacco companies.

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 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 £1,687,000 (2017: £2,062,000). 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.

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. It is estimated that the deficit on the pension scheme will be eliminated by June 2021.

#### **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. Based on the size of the regulated qualifications business (£877k) in relation to the total income for BSC, £9,641k (See Consolidated Statement of Financial activities), and the size of BSC's Investments, £11,109k (See Note 7 Investments), any potential fine and restrictions would not have an impact on BSC as a going concern.

#### **5. FUTURE PLANS**

In contrast to 2018, whilst 2019 will continue to see a reasonable level of investment, it will also be a year of consolidation for many of the previous year's initiatives and we look to deliver additional value from projects already implemented.

- There will be a continued emphasis to diversify lower value transactional products to on-line channels and encourage our customers to self-service via our online bookings system.
- Improved management information will be made available to ensure resources are focused appropriately and reported transparently.

## British Safety Council

### Report of the Trustees For the year ended 31 December 2018

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- Growth in India will be helped with dedicated products designed for the Indian market and in country engagement, driven by in-country marketing activity as well as additional local sales resource.
- Our Turkish partners DOGA, will renew their focus on driving up membership sales. This will be supported by significant investment on their part.
- We will explore additional paid for publication options alongside optimising the existing portfolio with the objective of increasing publications income.
- We will look to expand our range of qualifications to reduce our over-reliance on a narrow range of income generators and to deliver better service and increased efficiency, to support continued volume growth.
- We will keep costs of training sales low through appropriate geographical recruitment and reduction in printed materials.
- Resource and content assets created both in the classroom and by the digital team will be used to cross pollinate experiences of all learners, particularly distance learners.
- We will develop a global online learning community to support health and safety education as well as lead the industry in experience reporting and learning analytics.
- We will use the advantage of India based delivery capacity to offer cost effective services to surrounding regions including UAE.
- We will develop revised efficient processes for the scoping, sale and delivery of audit products to increase revenue, as well as providing an improved product for our audit clients in the form of a dashBoard with tools that they can use to process their data and benchmark audit outcomes.
- We will maintain campaigning. Specifically, our core focuses will be: air pollution, wellbeing, India and fire safety management.
- We will finalise our six core, over-arching group policies and continue to develop various positioning statements aligned with our campaigns.
- We will complete the establishment of a Practitioner's Advisory Board to ensure that we remain at the forefront of the health, safety and wellbeing agenda.
- We will establish organisational technical standards which all products and services will be required to meet. This will drive alignment and consistency across our portfolio and ensure objective performance monitoring.
- We will look to expand our sector interest groups into areas such as: logistics, education, rail, energy and engineering.
- Mates in Mind will continue its focus on reaching 75% of the construction sector by 2025. It will also take advantage of the growing demand for its services and start to offer these in a broader range of sectors.
- Raising the awareness of the Mates in Mind programme will be achieved through a new website. The website will also introduce ecommerce functionality for the first time.
- For the first time, Mates in Mind will bring on Board dedicated marketing and communications support to drive awareness of the programme and services.
- British Safety Council mental health products will be rebranded to Mates in Mind and training of sales teams will take place to ensure achievement of group income targets.
- There will be an increase in fundraising activity from individual sources, corporate donations and grant applications that will further enable Mates in Mind to deliver their charitable goals.
- The range of services offered by Mates in Mind will increase to complement the current programme and meet the maturing needs of supporters.
- Mates in Mind, its supporters and partners, will reach out to more vulnerable individuals, groups and those organisations that might not otherwise be able to afford a dedicated programme.



## **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 2018, the British Safety Council group comprises the British Safety Council and four wholly owned subsidiaries, Complywise Ltd, 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 four subsidiaries. Since the year end, Complywise Ltd has been dissolved.

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 members<sup>1</sup> 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 9 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 group has reviewed and adopted the principles outlined in Charity Governance Code for Larger Charities.

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.

<sup>1</sup> Within the meaning of section 112 of the Companies Act 2006.

## **British Safety Council**

### **Report of the Trustees For the year ended 31 December 2018**

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- **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 regard to remuneration, the role of the committee is to agree the framework or broad policy for the remuneration of the Chief Executive, and, with the advice of the Chief Executive, the terms and conditions of those who report directly to 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 regard to nomination, the role of this committee is to regularly review the structure, size and composition including the skills, knowledge and experience required of the Board compared to its current position, and to make recommendations to the Board 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.

## **7. REFERENCE AND ADMINSTRATIVE DETAILS**

Reference and administrative details of the charity are set out on page 42.

## British Safety Council

### Report of the Trustees For the year ended 31 December 2018

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#### **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.

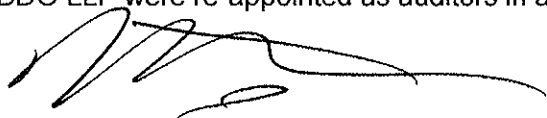
In so far as the charity Trustees are aware:

- 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.



#### **Lawrence Waterman on behalf of the Board**

The annual report and strategic report were approved by the Board and signed on its behalf on 2 September 2019.

## **British Safety Council**

Independent Auditor's Report  
For the year ended 31 December 2018

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE 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 2018 which comprise the consolidated statement of financial activities (incorporating an income statement), the consolidated and parent 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 2018 and of the Group's incoming resources and application of resources 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 were:

- 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 Chairs 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.

## **British Safety Council**

### **Independent Auditor's Report For the year ended 31 December 2018**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

#### **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.

## British Safety Council

### Independent Auditor's Report For the year ended 31 December 2018

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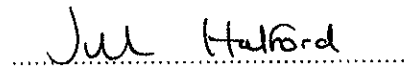
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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.



Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
London

Date: 3 September 2019

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 Statement) For the year ending 31 December 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
<b>INCOME</b>							
Income from donations and grants		-	84,387	84,387	-	88,286	88,286
<b>Income from charitable activities</b>							
Improving organisation performance through information and recognition		2,089,380	-	2,089,380	2,164,231	-	2,164,231
Improving individual's capability through qualifications and assessments		1,607,429	-	1,607,429	1,554,403	-	1,554,403
Enhancing organisations performance through auditing and advisory		1,874,998	-	1,874,998	1,909,229	-	1,909,229
Improving individual's performance through education and training		3,489,899	115,020	3,604,919	3,138,036	89,009	3,227,045
<b>Investment income</b>							
Investment income		379,946	-	379,946	407,809	-	407,809
<b>TOTAL INCOME</b>	<b>2</b>	<b>9,441,652</b>	<b>199,407</b>	<b>9,641,059</b>	<b>9,173,708</b>	<b>177,295</b>	<b>9,351,003</b>
<b>EXPENDITURE</b>							
<b>Expenditure on charitable activities</b>							
Improving organisation performance through information and recognition		(2,100,059)	-	(2,100,059)	(1,984,948)	-	(1,984,948)
Improving individual's capability through qualifications, assessments		(1,425,066)	-	(1,425,066)	(1,217,103)	-	(1,217,103)
Enhancing organisations performance through auditing and advisory		(2,341,046)	-	(2,341,046)	(1,982,082)	-	(1,982,082)
Improving individual's performance through education and training		(4,113,586)	(366,155)	(4,479,741)	(3,663,753)	(152,490)	(3,816,243)
Influencing the health and safety agenda		(616,984)	-	(616,984)	(759,562)	-	(759,562)
Investment management costs		(57,151)	-	(57,151)	(50,144)	-	(50,144)
<b>TOTAL EXPENDITURE</b>	<b>3</b>	<b>(10,653,892)</b>	<b>(366,155)</b>	<b>(11,020,047)</b>	<b>(9,657,592)</b>	<b>(152,490)</b>	<b>(9,810,082)</b>
Net (losses)/gains on investment assets	<b>7</b>	(731,352)	-	(731,352)	1,027,159	-	1,027,159
<b>NET INCOME</b>		<b>(1,943,592)</b>	<b>(166,748)</b>	<b>(2,110,340)</b>	<b>543,275</b>	<b>24,805</b>	<b>568,080</b>
Transfer between funds		(123,182)	123,182	-	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	<b>16</b>	84,000	-	84,000	(16,000)	-	(16,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,982,774)</b>	<b>(43,566)</b>	<b>(2,026,340)</b>	<b>527,275</b>	<b>24,805</b>	<b>552,080</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward at 1 January		13,292,537	24,805	13,317,342	12,765,262	-	12,765,262
Total funds carried forward at 31 December		<u>11,309,763</u>	<u>(18,761)</u>	<u>11,291,002</u>	<u>13,292,537</u>	<u>24,805</u>	<u>13,317,342</u>

All of the above results are derived from continuing and unrestricted activities. The loss for the year for Companies Act purposes was £655,163 (2017: £31,545 - loss). 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 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<b>Fixed assets</b>					
Tangible assets	6	2,957,168	2,796,314	2,951,278	2,796,314
Investments	7	11,109,651	14,199,671	11,371,121	14,352,810
		<u>14,066,819</u>	<u>16,995,985</u>	<u>14,322,399</u>	<u>17,149,124</u>
<b>Current assets</b>					
Stock		6,302	6,302	6,303	6,303
Debtors	8	1,220,303	1,767,870	1,139,968	1,684,989
Bank & Cash		<u>1,187,680</u>	<u>372,630</u>	<u>1,064,073</u>	<u>309,978</u>
		<u>2,414,285</u>	<u>2,146,802</u>	<u>2,210,344</u>	<u>2,001,270</u>
<b>Creditors: amounts falling due within one year</b>	9	(3,503,102)	(3,763,445)	(3,328,889)	(3,830,057)
Net current (liabilities)		<u>(1,088,817)</u>	<u>(1,616,643)</u>	<u>(1,118,545)</u>	<u>(1,828,787)</u>
<b>Total assets less net current liabilities</b>		<u>12,978,002</u>	<u>15,379,342</u>	<u>13,203,854</u>	<u>15,320,337</u>
<b>Net assets excluding pension liability</b>		<u>12,978,002</u>	<u>15,379,342</u>	<u>13,203,854</u>	<u>15,320,337</u>
<b>Defined benefit pension scheme liability</b>	16	(1,687,000)	(2,062,000)	(1,687,000)	(2,062,000)
<b>NET ASSETS</b>		<u>11,291,002</u>	<u>13,317,342</u>	<u>11,516,854</u>	<u>13,258,337</u>
<b>Funds</b>	12				
Unrestricted funds - designated		2,953,932	2,796,314	2,951,278	2,796,314
Unrestricted funds - undesignated		10,042,831	12,558,223	10,252,576	12,524,023
Restricted Mates In Mind		(18,761)	24,805	-	-
Pension reserve		<u>(1,687,000)</u>	<u>(2,062,000)</u>	<u>(1,687,000)</u>	<u>(2,062,000)</u>
<b>TOTAL FUNDS</b>		<u>11,291,002</u>	<u>13,317,342</u>	<u>11,516,854</u>	<u>13,258,337</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 deficit for the charitable company for the year was £1,741,483 (2017: £490,827 - surplus).

*The financial statements were approved and authorised for issue on 2 September 2019.*



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 2018

	2018	(As restated) 2017
	£	£
<b>Cash flows from operating activities:</b>		
<b>Net cash (outflow) from operating activities</b>	<b>(1,435,180)</b>	<b>(808,999)</b>
<b>Cash flows from investing activities:</b>		
Investment income	379,946	407,809
Purchase of tangible fixed assets	(488,384)	(590,146)
Purchase of investments	(1,801,298)	(1,901,723)
Proceeds from sale of investments	4,159,966	1,858,575
<b>Net cash (outflow)/inflow from investing activities</b>	<b>2,250,230</b>	<b>(225,485)</b>
Change in Cash flow for the year	815,050	(1,034,484)
Cash in bank and at hand at 1 January	372,630	1,407,114
<b>Cash in bank and at hand at 31 December</b>	<b>1,187,680</b>	<b>372,630</b>
<b>Reconciliation of net (expenditure)/income to net cash flow from operating activities:</b>		
<b>Net (expenditure)/income for the reporting period (as per the statement of financial activities)</b>	<b>(2,026,340)</b>	<b>552,080</b>
Investment income	(379,946)	(407,809)
Net loss/(gains) on investments	731,352	(1,027,159)
Depreciation charge	327,530	262,229
(Decrease) in pension liability	(375,000)	(264,000)
Decrease/(increase) in stock	-	38
Decrease/(increase) in debtors	547,567	(367,488)
(Decrease)/increase in creditors	(260,343)	443,110
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,435,180)</b>	<b>(808,999)</b>

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

### 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 2015) 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 in light of this investigation, namely:

- The size of the regulated qualifications business (£877k) in relation to the total income for BSC, £9,641k (see Consolidated Statement of Financial Activities);
- the budget and cashflow forecast for at least 12 months from the date of signing the Trustees' Report and Financial Statements; and
- the level of unrestricted reserves, £11,310k (see note 11).

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.

## British Safety Council

### Notes to the financial statements For the year ended 31 December 2018

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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.

The prior year cash flow statement has been restated to reflect the correct reconciliation between net (expenditure)/income for the reporting period and net cash outflow from operating activities. The correction has had no impact on the reported net movement in funds or net assets of the group for the year ended 31 December 2018.

#### **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.

#### **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.

## **British Safety Council**

### **Notes to the financial statements For the year ended 31 December 2018**

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#### **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.

#### **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.

#### **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  
For the year ended 31 December 2018

## 2. INCOME

### 2.1. Investment income

	2018 £	2017 £
<b>From UK investments</b>		
Deposit interest	2,203	640
Equities	185,865	228,182
Unit and investment trusts	24,068	29,109
Fixed interest bonds	41,221	14,927
Alternatives	88,758	41,379
	<u>342,115</u>	<u>314,237</u>
<b>UK quoted securities</b>		
Overseas investment trusts	37,831	93,572
	<u>379,946</u>	<u>407,809</u>

### 2.2. Geographical analysis

During 2018 the group derived 26% (2017: 23%) of its income from charitable activities outside of the United Kingdom.

## 3. BREAKDOWN OF RESOURCES EXPENDED (GROUP)

	Activities undertaken directly £	Support costs £	2018 Total £	2017 Total £
<b>Charitable activities</b>				
Improving organisation performance through information and recognition	1,410,313	689,746	<b>2,100,059</b>	1,984,948
Improving individual's capability through qualifications and assessments	921,142	503,924	<b>1,425,066</b>	1,217,103
Enhancing or organisations performance through auditing and advisory	1,701,692	639,354	<b>2,341,046</b>	1,982,082
Improving individuals' performance through education and training	3,286,262	1,193,479	<b>4,479,741</b>	3,816,243
Influencing the Health and Safety agenda	437,461	179,523	<b>616,984</b>	759,562
Investment management costs	57,151	-	<b>57,151</b>	50,144
	<u>7,814,021</u>	<u>3,206,026</u>	<u>11,020,047</u>	<u>9,810,082</u>
<b>Total resources expended</b>	<b>7,814,021</b>	<b>3,206,026</b>	<b>11,020,047</b>	<b>9,810,082</b>

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

### 3.1. Support cost allocations

#### Overhead cost allocations - Support and governance cost

	Improving organisation performance through information & recognition £	Improving individual's 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	139,654
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	379,936
<b>Total</b>	<b>673,497</b>	<b>747,661</b>	<b>495,277</b>	<b>864,583</b>	<b>425,009</b>	<b>3,206,026</b>

	Improving organisation performance through information & recognition £	Improving individuals' through qualifications & assessments £	Enhancing organisations performance through auditing & advisory £	Improving individual's performance through education & training £	Influencing the H&S agenda £	2017 Total Costs £
Governance	15,243	10,372	12,908	21,061	11,087	70,671
Management and administration	258,324	175,769	218,754	356,914	187,865	1,197,626
Human resources	53,272	36,248	45,112	73,604	38,742	246,978
Additional pension scheme costs	12,079	8,219	10,229	16,689	8,784	56,000
Finance	156,085	106,204	132,176	215,655	113,511	723,631
IT	95,838	65,211	81,158	132,416	69,698	444,321
<b>Total</b>	<b>590,841</b>	<b>402,023</b>	<b>500,337</b>	<b>816,339</b>	<b>429,687</b>	<b>2,739,227</b>

Support costs were all allocated based on head count.

### 3.2. Total expenditure has been arrived at after charging:

	2018 £	2017 £
Staff costs (note 4)	6,286,656	5,595,607
Expenses reimbursed to trustees or paid directly to third parties (note 5)	19,589	31,305
Depreciation of owned assets (note 6)	327,530	262,229
Operating lease payments recognised as an expense (note 16)	23,141	23,141
Auditor's remuneration - auditing the accounts	42,648	41,750
Auditor's remuneration - tax compliance services	5,125	4,600
Auditor's remuneration - other services	2,050	1,900

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

### 4. STAFF COSTS (GROUP)

Staff costs during the year were as follows:

	2018	2017
	£	£
Wages and salaries	5,392,061	4,817,132
Redundancy costs	44,736	11,097
Social security costs	582,030	524,992
Expense for defined contribution pension schemes	222,829	186,386
Expense for defined benefit pension schemes (note 15)	45,000	56,000
	<b>6,286,656</b>	<b>5,595,607</b>

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

	2018	2017
	Number	Number
Improving organisation performance through information & recognition	19	18
Improving individual's capability through qualifications & assessments	25	12
Enhancing organisations performance through auditing & advisory	9	10
Improving individuals' performance through education & training	27	31
Influencing the H&S agenda	15	13
Supporting activities	26	27
	<b>121</b>	<b>111</b>

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

	2018	2017
	Number	Number
£60,001 - £70,000	3	8
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£100,001 - £110,000	3	3
£110,001 - £120,000	-	1
£120,001 - £130,000	-	2
£160,001 - £170,000	1	-
£180,001 - £190,000	-	1
	<b>10</b>	<b>17</b>

1 employee earning £60,000 or more (2017: 4) were deferred members of the defined benefit pension scheme. 10 employees earning £60,000 or more (2017: 17) were members of the defined contribution pension scheme, and contributions amounting to £68,412 (2017: £91,830) were paid on their behalf.

### 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 £19,589 (2017: £31,305). The number of charity Trustees reimbursed for expenses or who had expenses paid directly by the charity was 7 Trustees (2017: 7).

Indemnity insurance is provided for the charity Trustees. The premium paid during the year amounted to £2,296 (2017: £2,462).



# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

### 6. TANGIBLE FIXED ASSETS

#### GROUP

	Freehold land and buildings £	Office refurbishment £	Office furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2018	3,012,500	1,404,390	412,652	2,099,132	6,928,674
Additions	-	-	10,880	477,504	488,384
<b>At 31 December 2018</b>	<b>3,012,500</b>	<b>1,404,390</b>	<b>423,532</b>	<b>2,576,636</b>	<b>7,417,058</b>
<b>Depreciation</b>					
At 1 January 2018	1,146,257	1,157,733	275,421	1,552,949	4,132,360
Provided in year	32,500	71,344	27,108	196,578	327,530
<b>At 31 December 2018</b>	<b>1,178,757</b>	<b>1,229,077</b>	<b>302,529</b>	<b>1,749,527</b>	<b>4,459,890</b>
<b>Net book value</b>					
<b>At 31 December 2018</b>	<b>1,833,743</b>	<b>175,313</b>	<b>121,003</b>	<b>827,109</b>	<b>2,957,168</b>
<b>At 31 December 2017</b>	<b>1,866,243</b>	<b>246,657</b>	<b>137,231</b>	<b>546,183</b>	<b>2,796,314</b>

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

#### CHARITY

	Freehold land and buildings £	Office refurbishment £	Office furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2018	3,012,500	1,404,390	412,652	2,099,132	6,928,674
Additions	-	-	10,880	470,125	481,005
<b>At 31 December 2018</b>	<b>3,012,500</b>	<b>1,404,390</b>	<b>423,532</b>	<b>2,569,257</b>	<b>7,409,679</b>
<b>Depreciation</b>					
At 1 January 2018	1,146,257	1,157,733	275,421	1,552,949	4,132,360
Provided in year	32,500	71,344	27,108	195,089	326,041
<b>At 31 December 2018</b>	<b>1,178,757</b>	<b>1,229,077</b>	<b>302,529</b>	<b>1,748,038</b>	<b>4,458,401</b>
<b>Net book value</b>					
<b>At 31 December 2018</b>	<b>1,833,743</b>	<b>175,313</b>	<b>121,003</b>	<b>821,219</b>	<b>2,951,278</b>
<b>At 31 December 2017</b>	<b>1,866,243</b>	<b>246,657</b>	<b>137,231</b>	<b>546,183</b>	<b>2,796,314</b>

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

### 7. INVESTMENTS

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<b>Movements on</b>				
<b>Listed investments</b>				
Fair value of 1 January	14,199,671	13,129,362	14,199,671	13,129,362
Acquisitions at cost	1,801,298	1,901,723	1,801,298	1,901,723
Disposal at carrying value	(4,159,966)	(1,858,573)	(4,054,969)	(1,867,359)
Net (losses)/gains realised and on revaluation at 31 December	(731,352)	1,027,159	(836,349)	1,035,945
Fair value at 31 December	<b>11,109,651</b>	<b>14,199,671</b>	<b>11,109,651</b>	<b>14,199,671</b>
<b>Movements on</b>				
<b>Equity investments in group undertakings</b>				
Cost less provision for impairment at 1 January	-	-	153,200	105,996
Investment in new subsidiary	-	-	213,267	47,143
Impairment in carrying value of subsidiary	-	-	(104,997)	-
Cost less provision for impairment at 31 December	-	-	<b>261,470</b>	<b>153,139</b>
<b>UK quoted securities</b>				
Equities	3,936,527	5,296,201	3,936,527	5,296,201
Fixed interest bonds	1,332,069	714,536	1,332,069	714,536
Investment and unit trusts	887,659	1,395,064	887,659	1,395,064
Public sector fixed interest	499,625	751,133	499,625	751,133
Alternative assets	1,980,362	1,868,336	1,980,362	1,868,336
<b>Total UK quoted securities</b>	<b>8,636,242</b>	<b>10,025,270</b>	<b>8,636,242</b>	<b>10,025,270</b>
<b>UK quoted overseas securities</b>				
Investment and unit trusts	2,473,409	4,174,401	2,473,409	4,174,401
<b>Total UK quoted overseas securities</b>	<b>2,473,409</b>	<b>4,174,401</b>	<b>2,473,409</b>	<b>4,174,401</b>
<b>Investment in subsidiaries</b>	-	-	<b>261,470</b>	<b>153,139</b>
<b>Total value at 31 December</b>	<b>11,109,651</b>	<b>14,199,671</b>	<b>11,371,121</b>	<b>14,352,810</b>
<b>Historical cost at 31 December</b>	<b>8,418,899</b>	<b>10,062,444</b>	<b>11,428,780</b>	<b>12,811,854</b>

There is one security holding with a market value of greater than 5% of the total portfolio at 31 December 2018 (2017: one).

	2018	2017
Charities Property Fund – Property Fund Income	5.1%	3.9%
Goldman Sachs Asset Management Sterling Liquid Reserves Fund	-	5.6%

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 5<sup>th</sup> February 2019.

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

The audited results of the charity's wholly owned subsidiaries for the year ended 31 December 2018:

	British Safety Council LLP	British Safety Council Sales Ltd	Mates in Mind	Complywise Ltd
	2018	2018	2018	2018
	£	£	£	£
<b>Income and expenditure</b>				
Turnover	111,019	335,298	382,128	28,645
Cost of sales & administrative expenses	(322,848)	(303,860)	(399,624)	(221,291)
Net movement in funds/net loss	<b>(211,829)</b>	<b>31,438</b>	<b>(17,496)</b>	<b>(192,646)</b>

### Balance sheets

Tangible fixed assets	-	-	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)

	<b>31,252</b>	<b>31,438</b>	<b>(18,761)</b>	-
Ordinary shares	270,961	999	-	2,748,411
Profit & loss account	(237,055)	30,439	(18,761)	(2,748,411)
<b>Equity shareholders' funds/(deficit)</b>	<b>33,906</b>	<b>31,438</b>	<b>(18,761)</b>	-

	British Safety Council LLP	British Safety Council Sales Ltd	Mates in Mind	Complywise Ltd
	2017	2017	2017	2017
	£	£	£	£

### Income and expenditure

Turnover	-	-	177,295	93,714
Cost of sales & administrative expenses	(25,223)	-	(178,561)	(4,815)
Net movement in funds/net loss	<b>(25,223)</b>	-	<b>(1,266)</b>	<b>88,899</b>

### Balance sheets

Debtors	8,276	2,118	82,705	227,134
Cash at bank and in hand	45,977	2,414	11,830	2,404
Creditors: amounts falling due less than one year	(33,499)	(4,532)	(95,800)	(36,882)

### Net assets/(liabilities)

	<b>20,754</b>	-	<b>(1,265)</b>	<b>192,656</b>
Ordinary shares	45,977	999	-	2,748,411
Profit & loss account	(25,223)	(999)	(1,265)	(2,555,755)
<b>Equity shareholders' funds/(deficit)</b>	<b>20,754</b>	-	<b>(1,265)</b>	<b>192,656</b>

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

### 8. DEBTORS

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	1,008,556	1,474,051	770,824	1,391,475
Other debtors	52,257	131,175	52,257	131,175
Due from subsidiary undertaking	-	-	161,406	4,532
Prepayments and accrued income	159,490	162,644	155,481	157,807
	<b>1,220,303</b>	<b>1,767,870</b>	<b>1,139,968</b>	<b>1,684,989</b>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade creditors	150,629	612,941	131,425	612,941
Other creditors	14,643	41,520	8,311	8,311
Due to subsidiary undertaking	-	-	97,090	232,792
Taxation and social security	377,458	396,673	360,986	371,993
Accruals	801,559	649,493	767,284	615,649
Deferred income (note 10)	2,158,813	2,062,818	1,963,793	1,988,371
	<b>3,503,102</b>	<b>3,763,445</b>	<b>3,328,889</b>	<b>3,830,057</b>

### 10. DEFERRED INCOME

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Deferred income as at 1 January	2,062,818	1,878,239	1,988,371	1,831,916
Deferred incoming resources	6,493,084	6,474,373	6,169,268	6,424,132
Release of deferred income	(6,397,089)	(6,289,794)	(6,193,846)	(6,267,677)
<b>Deferred income as at 31 December</b>	<b>2,158,813</b>	<b>2,062,818</b>	<b>1,963,793</b>	<b>1,988,371</b>

Income is recognised in accordance with the accounting policies set out on page 26. Income which has been invoiced before it can be recognised is deferred until the recognition criteria are met.

### 11. SUMMARY OF MOVEMENTS IN FUNDS (GROUP)

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

	At 1 January 2018 £	Income £	Expenditure £	Actuarial gain £	Investment loss £	Transfers £	At 31 December 2018 £
<b>Unrestricted funds</b>							
Undesignated Funds:	12,558,223	9,441,652	(10,617,362)	-	(731,352)	(608,330)	10,042,831
Designated fund:	2,796,314	-	(327,530)	-	-	485,148	2,953,932
	<b>15,354,537</b>	<b>9,441,651</b>	<b>(10,944,892)</b>	<b>-</b>	<b>(731,352)</b>	<b>(123,182)</b>	<b>12,996,762</b>
<b>Restricted funds - Mates in Mind</b>	<b>24,805</b>	<b>199,407</b>	<b>(366,155)</b>	<b>-</b>	<b>-</b>	<b>123,182</b>	<b>(18,761)</b>
Pension reserve	(2,062,000)	-	291,000	84,000	-	-	(1,687,000)
<b>Total funds</b>	<b>13,317,342</b>	<b>9,641,058</b>	<b>(11,020,047)</b>	<b>84,000</b>	<b>(731,352)</b>	<b>-</b>	<b>11,291,001</b>

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

Movements in funds during the year ended 31 December 2017 were as follows:

	At 1 January 2017 £	Income £	Expenditure £	Actuarial loss £	Investment gain £	Transfers £	At 31 December 2017 £
<b>Unrestricted funds</b>							
Undesignated Funds:	12,622,864	9,173,708	(9,675,363)	-	1,027,159	(590,145)	12,558,223
Designated fund:	2,468,398	-	(262,229)	-	-	590,145	2,796,314
	<b>15,091,262</b>	<b>9,173,708</b>	<b>(9,937,592)</b>	<b>-</b>	<b>1,027,159</b>	<b>-</b>	<b>15,354,537</b>
<b>Restricted funds - Mates in Mind</b>	-	177,295	(152,490)	-	-	-	24,805
Pension reserve	(2,326,000)	-	280,000	(16,000)	-	-	(2,062,000)
<b>Total funds</b>	<b>12,765,262</b>	<b>9,351,003</b>	<b>(9,810,082)</b>	<b>(16,000)</b>	<b>1,027,159</b>	<b>-</b>	<b>13,317,342</b>

### 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 2018, 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 £485,147 (2017: £590,145) worth of fixed asset additions and a depreciation charge of £327,530 (2017: £262,229). Therefore, £485,147 (2017: £590,145) was transferred from undesignated funds to cover fixed asset additions.

## 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

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)
<b>Total funds</b>	<b>10,042,831</b>	<b>2,953,932</b>	<b>(18,761)</b>	<b>(1,687,000)</b>	<b>11,291,002</b>

Fund balances at 31 December 2017 are represented by:

	Undesignated funds £	Designated funds £	Restricted funds Mates in Mind £	Pension reserve £	Total funds £
Tangible fixed assets	-	2,796,314	-	-	2,796,314
Investments	14,199,671	-	-	-	14,199,671
Current assets/(liabilities)	(1,641,448)	-	24,805	-	(1,616,643)
Pension liability	-	-	-	(2,062,000)	(2,062,000)
<b>Total funds</b>	<b>12,558,223</b>	<b>2,796,314</b>	<b>24,805</b>	<b>(2,062,000)</b>	<b>13,317,342</b>

## **British Safety Council**

Notes to the financial statements  
For the year ended 31 December 2018

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### **13. CAPITAL COMMITMENTS (GROUP AND CHARITY)**

At the year-end, the group and charity had entered into capital commitments amounting to £nil (2017: £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 (2017: £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 (2017: £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 August 2019 Ofqual advised BSC it may receive a fine and restriction on its Ofqual regulated qualifications business. Ofqual's Legal, Moderation and Enforcement Team will decide and BSC will have a further opportunity to make representation against their findings. At the date of signing the accounts we are unable to determine the outcome of the investigation and to quantify the fine therefore we consider this to give rise to a contingent liability, not a provision.

### **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 2018 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.

# British Safety Council

## Notes to the financial statements For the year ended 31 December 2018

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

	31 December 2018	31 December 2017	31 December 2016	31 December 2015
	(%)	(%)	(%)	(%)
Discount rate	2.90	2.4	2.60	3.80
Retail Price Inflation	3.40	3.4	3.40	3.30
Consumer Price Inflation	2.50	2.5	2.50	2.40
Pension escalation in payment	3.00	3	3.00	3.00
Pensionable salary growth	n/a	n/a	n/a	n/a

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

	31 December 2018 (years)	31 December 2017 (years)
<b>Retiring today</b>		
Males	20.9	21.1
Females	22.8	22.9
<b>Retiring in 20 years</b>		
Males	22.0	22.1
Females	24.0	24.1

**Amounts recognised in the SOFA are as follows:**

	2018 £	2017 £
Included in expenditure:		
Interest on obligations	140,000	152,000
Expected return on assets	(95,000)	(96,000)
	<b>45,000</b>	<b>56,000</b>

**Amounts recognised in other comprehensive income are as follows:**

	2018 £	2017 £
Actual return less interest income included in net interest income	(389,000)	9,000
Experience gains and losses arising on scheme liabilities	(155,000)	124,000
Changes in assumptions underlying the present value of scheme liabilities	628,000	(149,000)
Actuarial (losses)/gains on defined benefit pension scheme	<b>84,000</b>	<b>(16,000)</b>

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 For the year ended 31 December 2018

	2018	2017
Equities	41%	43%
Property	2%	4%
Corporate Bonds	4%	20%
Gilts	32%	5%
Cash	5%	2%
Derivatives and other investments	16%	26%
<b>Total</b>	<b>100%</b>	<b>100%</b>

	2018 £	2017 £
Actual return on plan assets	(294,000)	105,000

The deficit in the scheme was:

	2018 £	2017 £
Fair value of scheme assets	3,785,000	3,776,000
Present value of scheme liabilities	(5,472,000)	(5,838,000)
<b>Net (liability)</b>	<b>(1,687,000)</b>	<b>(2,062,000)</b>

Movements in the deficit on the scheme were:

	2018 £	2017 £
Deficit in the scheme at the beginning of the period	(2,062,000)	(2,326,000)
<i>Movement in the period:</i>		
Contributions paid by employer	336,000	336,000
Net return on assets	95,000	96,000
Interest on obligations	(140,000)	(152,000)
Actuarial (loss)/gain	84,000	(16,000)
<b>Deficit in the scheme at the end of the period</b>	<b>(1,687,000)</b>	<b>(2,062,000)</b>

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

	2018 £	2017 £
Opening defined benefit obligation at 1 January	(5,838,000)	(5,992,000)
Interest cost	(140,000)	(152,000)
Actuarial (loss)/gain	473,000	(25,000)
Benefits paid	33,000	331,000
<b>Closing defined benefit obligation at 31 December</b>	<b>(5,472,000)</b>	<b>(5,838,000)</b>

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 For the year ended 31 December 2018

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	2018 £	2017 £
Opening fair value of scheme assets	3,776,000	3,666,000
Expected return on assets	95,000	96,000
Actuarial losses	(389,000)	9,000
Contributions by employer	336,000	336,000
Benefits paid	(33,000)	(331,000)
<b>Closing fair value of scheme assets</b>	<b><u>3,785,000</u></b>	<b><u>3,776,000</u></b>

The scheme Trustees and the charity have agreed a deficit recovery plan under which the charity will contribute £336,000 to the pension scheme in each accounting period through to June 2021, when it is estimated that the deficit on the pension scheme will be eliminated.

## British Safety Council

### Notes to the financial statements For the year ended 31 December 2018

#### 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:

	2018 £	2017 £
Not later than one year	38,843	20,720
Later than one year and not later than five years	9,840	19,680
	<u>48,683</u>	<u>40,400</u>

#### 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 (2017: £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 2018 are set out on page 40. Total benefits (including social security costs) in respect of key management personnel during the year was £861,073 (2017: £974,650).

##### 18.3. Intra-group transactions

During the year the charity charged Mates In Mind fees of £44,183 (2017: £19,206) in respect of management services provided by the charity to Mates In Mind, and licence fees in the amount of £12,096 in respect of Mates In Mind's use of the charity's Start the Conversation training materials. The charity also granted Mates In Mind core funding amounting to £92,711 (2017: £44,995). The charity also donated services with a value of £21,373 used in meeting grant obligations of Mates In Mind. The charity incurred referral fees amounting to £68,637 (2017: £34,484) payable to Mates In Mind. During the year the charity charged Complywise Limited fees of £226,261 (2017: £nil) in respect of management services provided by the charity to Complywise Limited.

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

	Due to/(from) charity	
	2018 £	2017 £
British Safety Council (India) LLP	(68,508)	-
British Safety Council Sales Ltd	96,559	4,532
Mates In Mind	(97,100)	(20,189)

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

## British Safety Council

### Notes to the financial statements For the year ended 31 December 2018

#### 18.4. Financial Instruments - Group

With the exception of investments of £11,109,651 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.

	2018 £	2017 £
<u>Financial assets - at amortised cost:</u>		
Debtors	1,065,922	1,605,226
Cash	1,187,680	372,630
	<u>2,253,602</u>	<u>1,977,856</u>
<u>Financial liabilities - at amortised cost:</u>		
Creditors: amounts falling due within one year	<u>(966,831)</u>	<u>(1,303,954)</u>

## British Safety Council

Reference and administrative details  
For the year ended 31 December 2018

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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  
Adrian Wild (to 20 September 2018)  
Ibironke Adeagbo (to 30 October 2018)  
Paul Cottam (to 30 October 2018)  
John Pearce (to 30 October 2018)  
Samantha Peters (from 30 January 2018)  
Peter McGettrick (from 30 October 2018)  
David Walsh (from 07 August 2018 to 29 January 2019)  
Ian Crook (from 30 January 2018)  
Matthew Speight (from 30 January 2018 to 5 August 2019)  
Simon Phillips (from 30 January 2018)  
Stephen Grix (from 07 August 2018)  
David Collins (from 30 October 2018)  
Jide Olagundoe (from 30 October 2018 to 2 July 2019)

Key management:	Mike Robinson	Chief Executive
	Paul Fakley	Engagement director (from 14 May 2018)
	Jigna Patel	Membership & service delivery director
	Martin Singfield	Finance & qualifications director (to 6 June 2019)
	Chris Wales	Chief technology officer (to 15 May 2018)
	Louise Ward	Policy standards and communications director (to 25 May 2018)
	Nicola Richards	Director of Finance (from 17 June 2019)
	Steve Ward	Director of I.T. (from 17 June 2019)

Company secretary: Mike Robinson

Bankers: Barclays Bank plc, 75 King Street, London, W6 9HY

Investment advisers: Investec Wealth and Investment Ltd, 2 Gresham Street, London, EC2V 7QN

Solicitors: Russell-Cooke Solicitors, 2 Putney Hill, London, SW15 6AB

Auditors: BDO LLP, 55 Baker Street, London, W1U 7EU