the numbers

annual accounts 2011

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01 April 2010 to 31 March 2011

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Board of Trustees

Nick Burraston OBE (Chairman)
Lisa Fowlie
Nattasha Freeman (from 09 November 2010)
Robert Gist
David Graham
Liam Howe (from 09 November 2010)
Patrick Keady
Kevin McLoughlin (to 09 November 2010)
James Ostler
Simon Palmer
Andrew Sharman
Rob Strange OBE
Keith Underhill
Ian Waldram (to 09 November 2010)

Council

Stephen Granger (President)
Subash Ludhra (President Elect)
John Holden (Immediate Past President)
Susannah Aptowitzer
Stephen Asbury
Lawrence Bamber
Stephen Blackburn
Kevin Bridges (from 09 November 2010)
Tim Briggs
Teresa Budworth
Russell Calderwood
Dr Tim Carter (to 09 November 2010)
Tom Chambers (from 09 November 2010)
Dr Peter Claffey
Nick Cornwell-Smith
Gordon Eagle (resigned 13 March 2011)
Roy Featherstone
Graham Frobisher (from 09 November 2010)
Gerard Hand
Ian Harper
Dr Vincent Ho
Ray Hurst
Ann Jones
Stephen Jones (from 09 November 2010)
John Lacey
Wilson Lambe MBE
Bob Lewis
Andy Lo
Dr Karen McDonnell
Malcolm McIntyre
Vince McNeilly
Julian Mills
Stephen Mills (to 09 November 2010)
John Norton Doyle (to 09 November 2010)
David Onigbanjo
Paul Parry
Les Pearce
Bruce Phillips (from 09 November 2010)
Richard Pickles (from 09 November 2010)
Paul Reeve (to 09 November 2010)
Liz Skelton
Bryan Toone (to 09 November 2010)
Dr Ioanni Toutoungi
Barry Tupper (from 09 November 2010)
Norman Walton
Adrian Watson (from 09 November 2010)
George Wedgwood (to 09 November 2010)
Nicholas Wilson (from 09 November 2010)
Brenda Winch
Stan Yellop

Legal and administrative information

Chief Executive
Rob Strange OBE FCIB C.Dir

Principal and registered office
The Grange
Highfield Drive
Wigston
Leicestershire LE18 1NN

Company registration number
RC000781 (England and Wales)

Registered charity number
1096790

Auditors
Baker Tilly UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham B2 5AF

Internal auditors
PKF (UK) LLP
Pannell House
159 Charles Street
Leicester LE1 1LD

Legal advisers
Martineau
No 1 Colmore Square
Birmingham B4 6AA

Principal bankers
National Westminster Bank plc
121a East Park Road
Leicester LE5 4QD

Secondary bankers
Clydesdale Bank plc
29 Horsefair Street
Leicester LE1 5BL

Lloyds TSB Bank plc
PO Box 908
125 Colmore Row
Birmingham B3 3SF

Santander Business Banking
Bridle Road
Bootle L30 4GB

Investment advisers
Barclays Wealth
1 Colmore Square
Birmingham B4 6ES

Ethical investment advisers
EIRIS
80–84 Bondway
London SW8 1SF

Insurance brokers
Oval Insurance Broking Limited
9 South Parade
Wakefield WF1 1LR

Treasury advisers
Sector
40 Duke's Place
London EC3A 7NH

Committees

Professional Ethics
Stephen Asbury (Chair)
Mohammed Basharat
Jane Boulden
Tim Briggs
Nicholas Broom
Dr Mark Edmiston
Andy Lo (corresponding member)
Shaun Lundy
Janet Ross

Nominations
Brian Cains (Chair)
Lawrence Bamber
Robert Gist
Ann Jones
Peter Le Maistre
Dr Andrew Rankine
Peter Wickham
Brenda Winch

Risk Management and Audit
David Graham (Chair, as trustee)
Aengus Benson
Rod Carver
Philip Fejer
Lisa Fowlie (as trustee)
Simon Palmer (as trustee)

Networks and International
John Holden (Chair, as Immediate Past President)
Neil Catton
Sean Cusack
Jean Diggle (corresponding member)
David Evans (as Chair of the International Group)
Iain Ferguson
Stephen Granger (as President)
Gerard Hand
Ian Harper
Trevor Jennings
John Lacey
Subash Ludhra (as President Elect)
Heather Potts
Helen Rees (corresponding member)
Barry Tupper

Research
Graham Frobisher (Chair)
Mohammed Basharat
Dr John Burdett
Dr Tim Carter
Alan Haigh
Patrick Keady (as trustee)
Dr Grant McMillan
Simon Palmer (as trustee)
Glenn Pinsent
Professor David Walters

Remuneration
Nick Burraston OBE
Robert Gist
Simon Palmer
James Ostler

Directors of IOSH Services Limited
Vincent Busk (Chair)
Ruth Doyle (resigned 27 August 2010)
Robert Gist
Caroline Holden
Justin Martin
Andrew Sharman

Senior management team
Rob Strange OBE (Chief Executive)
Colin Gore (Executive Director – Corporate Services)
Hazel Harvey (Executive Director – Membership)
Caroline Holden (Executive Director – Commercial)
Dr Luise Vassie (Executive Director – Policy)
Craig Darlison (Head of Information Systems)
Sarah Hamilton (Networks and International Director)
Carolyn Issitt (Head of Membership Development)
Richard Jones (Head of Policy and Public Affairs)
Helen Metcalfe (Head of Corporate Services)
Caroline Patel (Head of Campaigns and Design)
Ian Smart (Head of Communications)

IOSH representatives on external committees

Acevo Professional Associations special interest group Rob Strange OBE

Affinity at Work Research Consortium Dr Luise Vassie

All Party Parliamentary Fire and Safety Rescue Group (observer) Sandy Black

All Party Parliamentary Group on Occupational Safety and Health (observer) Richard Jones

Asthma Partnership Board Richard Jones, Jill Joyce

British Occupational Health Research Foundation Dr Luise Vassie

British Standards Institution Dipak Chauhan, Steven Elliott, Frank Hallett, Richard Jones, Joanne Lewis, Ken McEwan, Jim Woolford, Charles Tracey

Business Community Safety Forum Sandy Black

Chartered Institute of Public Finance and Accountancy Mary Ogungbeje

Child Safety Education Coalition Jill Joyce

Civil Contingencies Co-ordination Alliance Sandy Black

Construction Industry Strategic Forum John Lacey

Council for Work and Health Nattasha Freeman

Equality Professional Group Hazel Harvey

European Network of Safety and Health Professional Organisations Richard Jones

European Network of Safety and Health Professional Organisations Certification Committee for EurOSHM Hazel Harvey

EuroSafe Committee Richard Jones

EuroSafe Education Sub-committee Jill Joyce

Expert Group on the Medical Care of Suspected Internal Drug Traffickers While in Custody Dr Richard Preece

Gate Safety Summit John Lacey

Hazards Forum Executive Committee Richard Jones

HSE Agriculture Industry Advisory Committee Dr David Knowles

HSE Food Forum IOSH Food and Drink Group

HSE LEV Working Group Paul Ramsden

HSE Reducing Ill Health in Paving, Road and Highway Work David Ackerley

HSE Respiratory Protective Equipment Project Steering Group Jill Joyce

HSE Respiratory Protective Equipment – Wearability Working Group Charles Tracey

IET Health and Safety Policy Advisory Group George Wedgwood

Inter-institutional Group on Health and Safety Richard Jones

International Network of Safety and Health Practitioner Organisations Vince McNeilly

Leadership Advisory Group (Developing Leadership and Governance for Healthy Universities) Tim Briggs

National Examination Board in Occupational Safety and Health Advisory Committee Hazel Harvey, Rob Strange OBE

National Men's Health Week Steering Group Dr Kathryn Bellamy

Occupational Safety and Health Consultants Register (OSHCR) Hazel Harvey, Rob Strange OBE

Olympic Delivery Authority Health and Safety Learning Legacy Steering Group Dr Luise Vassie

Partnership in Health and Safety in Scotland Dr Karen McDonnell

Professional Associations Research Network Hazel Harvey

Professional Organisations in Occupational Safety and Health Neil Budworth, John Holden

Royal Society for the Prevention of Accidents Awards Panel Martin Allan

Royal Society for the Prevention of Accidents National Occupational Health and Safety Committee John Norton-Doyle, Gerard Hand

Safe-T-Cert Joint Standards Advisory Panel Richard Jones

Safety in Care Awards Committee Gerard Hand

Safety and Health Practitioner Management Board Ian Smart, Rob Strange OBE, Nigel Bryson, Louise Ward

Safety Groups UK Advisory Committee Hazel Harvey

Safety Institute of Australia John Lacey

Workcover Victoria John Lacey

Honorary Vice-Presidents

Jenny Bacon CB
John Barrell OBE
James Blake OBE
The Lord Brougham and Vaux CBE
Sir Bill Callaghan
Dr Tim Carter
Sir John Cullen KBE
Sir Frank Davies CBE OStJ
David Eves CB
Judith Hackitt CBE
Jim Hammer CB
Rt Hon The Lord Hunt of Wirral MBE
Jim Keyes
Hans-Horst Konkolewsky
Professor Peter McKie CBE
Martin O'Halloran
Geoffrey Podger CB
John Rimington CB
Ann Shaw CBE
Dr Jukka Takala
Tom Walsh
Yu Shuxi

Past Presidents

1945–54	H R Payne
1954–57	A Palmer
1957–59	R Tugman
1959–63	L Corney MBE
1963–65	H G Hall
1965–67	B Cornford
1967–68	N T Freeman MBE
1968–69	B A C Whyte
1969–70	A Beckinsale
1970–72	J Gardner OBE
1972–74	J Chinnock OBE
1974–75	M Bryant
1975–76	L Ockleton
1976–78	G Polley MBE
1978–79	S Barnes
1979–80	H Clayton
1980–82	E Hooper OBE
1982–83	J R Brownlie
1983–84	A St John Holt OBE
1984–85	P Waterhouse
1985–86	P Anderson
1986–88	R Booth
1988–89	A St John Holt OBE
1989–90	L Bamber
1990–91	P Hughes MBE
1991–92	B Kazer
1992–93	J M Totterdell MBE
1993–94	D Menarry
1994–95	N Cornwell-Smith
1995–96	J Fisher
1996–97	D Linton
1997–98	A W Lambe MBE
1998–99	N Wrightson OBE
1999–00	I Waldram
2000–02	P Faupel
2002–03	E Lawson
2003–04	J Lacey
2004–05	L Waterman
2005–06	N Budworth
2006–07	L Fowlie
2007–08	R Hurst
2008–09	N Freeman
2009–10	J Holden

Trustees' report

The trustees, who are the members of the Board of Trustees, have pleasure in presenting their report and the group financial statements of the Institution of Occupational Safety and Health ('IOSH', 'the Institution' or 'the charity') for the year ended 31 March 2011.

Health, safety and environment at The Grange

IOSH is committed to setting and maintaining the highest standards of health and safety for employees and all others working at or visiting The Grange and to ensuring environmental sustainability.

- There were no significant accidents or incidents involving staff, visitors or contractors during the year.
- The average number of days' absence due to sickness per employee was 7.2, below the CIPD benchmark of 8.3 for similar organisations.
- Health and safety is dealt with as the first operational item on all staff and Board of Trustees meeting agendas. The health and safety action plan is monitored by the Board of Trustees quarterly and at each meeting of the Health, Safety and Environment Committee.
- The Emergency Committee met to discuss the implications of the Icelandic volcanic ash cloud.
- The Institution is committed to using the HSE's Health and Safety Performance Indicator, which remained at 9.2 out of 10 (November 2010), rising from an initial 8.4 (November 2006).
- We reviewed and updated our health, safety and environmental policy.
- The general risk assessment system was revamped and improved and risk assessments were reviewed.

Health and safety at a glance

Key performance indicator	Number	Comments
Reportable injuries	0	
Minor injuries	12	We report all injuries, even minor cuts
Statutory notices	0	
Enforcement actions	0	
Number of days' absence due to sickness	987	
Number of days' absence per employee	7.2	
Percentage of total working days lost to sickness absence	2.9%	Compares favourably to the average of 3.8% among not-for-profit organisations (source: CIPD absence management survey, 2010)
Percentage of absence days due to absences of under 20 days	73%	

- Line managers at IOSH undergo training on the stress policy, procedures and risk assessments.
- The organisational stress risk assessment tool, Work Positive, was deployed, with all staff briefed and invited to participate; some key stressors were identified and potential solutions are being discussed.
- The Chief Executive continues to chair the Health, Safety and Environment Committee, which meets quarterly. The committee members include representatives from senior management; first aiders and human resources; all health and safety representatives; and the Facilities Manager.
- We continue to provide adequate training and professional development for our staff:
  - In addition to initial induction training, all staff undergo *Working safely* or *Managing safely* training, manual handling and other training programmes as appropriate
  - Driving assessments are conducted for those who drive on behalf of IOSH
  - Driving tuition is offered to all car drivers as part of our occupational road risk management policy and employees' driving licences are checked as part of the annual appraisal system, as are insurance policies relating to personal vehicles used for business purposes.
- In addition to offering a private medical plan for employees, we continue to provide occupational health support and return-to-work programmes from an external service provider.
- During the summer, we arranged health checks, provided a series of 'taster sessions' in relaxation techniques (eg yoga and shiatsu) and organised lunchtime walks for staff.
- The carbon footprint for The Grange is assessed as just under 300 tonnes per year. This includes travel by staff on duty and volunteers visiting The Grange, but does not include staff commuting.
- We endeavour to make best use of resources and minimise waste, and we monitor waste recycling and both energy and water consumption. We recycled increasing amounts of mixed paper and cardboard during the year; IT equipment and toner cartridges are also recycled.

Constitution

The Institution is incorporated by Royal Charter and is a charitable company for the purposes of the Charities Act 1993. The charity's governing instruments are the Institution's Charter and Byelaws. As a Royal Charter body, the provisions of the 'Combined code on corporate governance' and the Companies Act generally do not apply to our governance. The Institution operates within the terms of the Charter and accompanying Byelaws and Regulations. The Board of Trustees has nonetheless agreed that the Institution should also comply with best corporate practice where possible.

Charitable objects

The Institution is established to achieve the following charitable objects in the interests of the general public benefit:

- to promote systematic and organised methods of improving occupational safety and health and to advocate, advise on, disseminate, explain and advance the principles, methods and systems of their application at work generally
- to facilitate the exchange of information and ideas among the members of the Institution and of other professional bodies in the field of occupational safety and health and to work together with other professional bodies in pursuit of mutual objectives, and
- to do all such other things as may be necessary or desirable for maintaining and improving the professional status of members of the Institution and of people engaged in professions requiring a knowledge of the matters mentioned in the first bullet point above.

Public benefit

In drafting these statements, the trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

IOSH has been a registered charity since 1962. Our main aim is to improve health and safety at work, and to support the health and safety professionals who are dedicated to cutting down accidents and ill health.

Our work to raise standards in health and safety has obvious public benefits. But we also offer free resources to help bosses, managers, workers, students, researchers and decision-makers in health and safety:

- We published nine revised technical guides, covering topics such as the rehabilitation of sick or injured workers, raising performance through training and competence, and serious incident response. All guides are available free to download.
- We produced a DVD to help train employees and visitors in airside health and safety requirements and hazard awareness in the UK aviation sector. The DVD, together with accompanying booklet and poster, is freely available.
- Risk Assessment Routefinder, a free online tool to help managers identify the hazards their business faces and the changes they need to make to deal with them, had just over 10,000 visits.
- Safestartup, IOSH's free small firm and business start-up advice website, had almost 5,000 visits.
- Our free health and safety helpline handled almost 4,500 enquiries.
- Through our support of the Safe Highlander initiative, just under 2,000 Year 7 schoolchildren were given an appreciation of how health and safety can affect people in their daily lives.
- Approximately 100,000 working people were successfully trained to health and safety awareness level.

Locally, we volunteered to work on community initiatives, including:

- the Young Enterprise Company programme, which encourages school students to set up a real business and take part in a national competition. We mark the health and safety content in each project report before presenting a regional prize
- the Young Enterprise Primary programme, where members of our staff work with a teacher to deliver fun, hands-on modules focusing on our community and the wider world to under-11s.

Reporting structure

IOSH has a well-developed committee structure and the major committees and their membership at 31 March 2011 are detailed on pages 04–05. Committees that report directly to the Board of Trustees or to Council have formal terms of reference (included in IOSH's Regulations) that can be changed only with the approval of both the Board of Trustees and Council. For these committees, areas of delegated responsibility are clearly defined in the Regulations. All other committees, working parties and member advisory panels in IOSH have formal terms of reference and clear reporting lines. The Board of Trustees is the ultimate decision-making body and is responsible for the Institution's strategy. It reviews minutes of all the committees reporting to it and its Chair reports to each Council meeting. Day-to-day operational decisions are taken by the senior management team in line with pre-agreed budgets and delegated authorities.

The review of the Institution's committee structure, by the Standing Committee Review Working Party, has been reported previously. Its recommendation for a new structure, approved by both the Board of Trustees and Council, was completed by November 2010. Some committees (Commercial, Communications and International, Technical and Professional) were dissolved and two new committees (Networks and International and Professional Ethics) were

created, together with a number of member advisory panels which will meet as and when necessary.

Relationships with other charities

Health and safety is naturally a collaborative discipline. As the world's biggest health and safety professional body, IOSH plays a critical part in promoting this collaboration. We believe that good practice should be shared with others.

Appointment of trustees

The trustees in office during the year and at the date of this report are set out on page 01. Trustees are appointed by Council following a recruitment process overseen by the Institution's Nominations Committee. Trustees normally serve for three years and are then eligible for a further three-year term. Trustees who have served continuously for six years must stand down for at least one year.

Induction of new trustees

An induction day is held each autumn for new members of the Board of Trustees, Council and the committees that report to them. In addition to briefings covering the various areas of the organisation, the duties of a trustee are explained and the organisation's strategic objectives outlined.

Review of the business

Although the surplus (net incoming resources before other recognised gains and losses, being net income for the year – see page 20) was lower than last year, the business benefited from a VAT credit of £401,000 in 2010. When the effect of this, together with research and development grants, is taken into account, the underlying increase was over £150,000. The trustees consider the results for the year and the state of the group's affairs to be satisfactory.

Activities and performance of subsidiary

The Institution has a wholly owned trading subsidiary and its results for the year are included in the notes to the accounts. Turnover for the year was marginally (less than 1 per cent) higher than the previous year and costs were contained. However, a drop in other income received meant a reduced, but still highly significant, charitable donation to IOSH of £2,628,000.

Our strategy: targets for 2008–2012

In October 2007 we selected seven priorities, broadly based on the 2005 strategy, but with fresh definition:

- raising the profile of health and safety and the influence of IOSH
- increasing membership
- developing internationally
- leading occupational safety and health thought
- growing financial security in an ethical and sustainable way
- developing people
- managing the Institution efficiently and effectively.

A full copy of the strategy is available to download from **www.iosh.co.uk/corporatestrategy**.

The Board of Trustees has approved two key performance indicators (KPIs) for each strategic priority. Targets for each financial year are set and progress made by the senior management team against the approved targets is reported to each Board of Trustees meeting.

In respect of raising the profile of health and safety and the influence of IOSH, the two KPIs are the number of proactively achieved media items and the number of media enquiries seeking comment. Both targets were exceeded for the year.

The KPIs for increasing membership are the total number of members and the percentage of UK graduates recruited compared to the total number of new UK occupational safety and health graduates. The ambitious target for

membership was achieved; the percentage of UK graduates recruited fell short of target.

The two KPIs for international development are the total number of international members and the number of projects initiated with international bodies. Although a record, the actual number of international members fell short of the target; the number of projects initiated was on target.

In respect of leading OSH thought, the two KPIs are the level of stakeholder recognition of IOSH as a 'thought leader' and significant citations or uses of our consultation responses, position statements, research or guides by consulting bodies, parliamentarians and others. To understand the current level of stakeholder recognition, a baseline survey will be required; the second KPI was exceeded.

The KPIs for growing financial security in an ethical and sustainable way are the net profit from health and safety awareness training undertaken by IOSH Services Ltd and the net surplus from membership income. Both targets were exceeded.

The KPIs for developing people are the percentage of IOSH members whose membership status requires them to take part in Continuing Professional Development (CPD) actually participating in the CPD scheme, and the percentage of IOSH employees indicating that the training and development they have received have led them to be more effective in their roles. The first target in respect of members participating in the CPD scheme was not achieved, and in future this target will be broken down to reflect different categories of membership; the target in respect of staff was achieved.

The KPIs for managing the Institution efficiently and effectively are total IOSH group income (excluding investment income) divided by the average number of staff (on a full time equivalent basis) and the total number of IOSH members divided by the total number of staff (excluding those in the Commercial Division). The first target was achieved but the second was narrowly missed due to an increase in temporary staff at the year end.

Future strategy

A review of IOSH's strategy was initiated by the Board of Trustees in March 2011. The first phase, in April and May, has been one of consultation with views and ideas being sought from members (eg member survey), standing committees, branches, groups, external stakeholders (eg chief executive officers of other organisations in the health and safety field), the executive director team and other staff.

A first draft of the emerging strategy will be considered by the Board of Trustees during the summer of 2011. This will include ideas and views expressed during a strategy workshop held earlier in the year. Council will consider a second draft at its meeting in September and the Board of Trustees will consider a final draft at its meeting in November. It is intended that the final strategy and associated divisional strategies will be approved in January 2012 and then communicated, as appropriate, externally and internally.

Investment policy

The investment policy balances the need for capital protection and the desire to secure investment returns and capital growth. These investments are managed on our behalf by professional third parties and due consideration is given to social, environmental and ethical factors. The market value of investments increased during the year in line with general market conditions.

Ethical policy

The Institution has an investment policy which uses as its base the eight core conventions issued by the International Labour Organization (ILO). These eight conventions form the basis of ILO's Declaration on Fundamental Principles and Rights of Work, which applies to all ILO member states. In summary, these cover child labour; discrimination and equal opportunity; forced labour and freedom of association/ collective bargaining. In addition, IOSH includes conventions in respect of working hours, hours of work, weekly rest and health and safety.

IOSH's policy, approved by the Board of Trustees in September 2009, is that it will not invest in any organisation where:

- there is an unaddressed allegation of a breach of a key ILO standard in any of the above conventions and where there is no evidence of a satisfactory response
- there are assessments pending for allegations of breaches of international labour standards or breaches of health and safety principles
- any part of the company has been convicted following HSE prosecutions more than once in the last three years (UK only)
- tobacco production forms more than 10 per cent of turnover
- sales of strategic military equipment form more than 10 per cent of turnover.

Future activities

Despite the challenging economic climate, IOSH has ambitious financial targets for 2011/12. A new team of Executive Directors has been appointed and the restructuring of their divisions, with the aim of becoming more efficient, is under way. We continue to work on a number of initiatives designed to minimise the economic impact on the Institution by cutting costs and raising income. The growth experienced in membership in recent years is forecasted to continue and an increase in the profit from commercial activities is targeted. We are also helping members who are having difficulty finding a job by providing support, including subsidised training and subscription concessions.

In addition to completing the restructuring mentioned above, a major piece of work this year will be determining the Institution's future strategy; this is detailed elsewhere in the trustees' report.

Voluntary help

The Institution is dependent on part-time voluntary helpers who manage the networks and serve on committees. This help is neither quantified nor included in the statement of financial activities.

Indemnity provision

The charity has in place qualifying third party indemnity insurance in respect of its trustees.

Risk exposure and assessment

'Accounting and reporting by charities – statement of recommended practice' requires the trustees to identify the major risks to which the Institution is exposed and to ensure that systems are in place to mitigate those risks. The trustees employ a formal risk management process to assess business risks and implement risk management strategies. The Risk Management and Audit Committee performs an annual review to make sure that major risks are reviewed and internal control systems are monitored to ensure that those risks are mitigated. This review was adopted by the trustees during the year.

As part of the formal risk management process, IOSH maintains a risk register that lists over 70 risks that the Institution faces. Each risk is given a rating based on the likelihood of it occurring and its effect if it did, before the

application of control and mitigating measures. (Control measures are those taken to reduce the chance of an event happening and mitigating measures aim to reduce the effect if the event did occur.) For the higher risks, the control and mitigating factors are then identified, introduced where necessary and managed. Maintenance of these measures to manage risks is owned, either individually or collectively, by members of the senior management team and the Board of Trustees.

Additionally, risks inherent in major projects are considered and managed as part of that project's management.

During the year, PKF continued its role as internal auditor. The auditor has used the risk register to produce a three-year programme of internal audits. This programme has been approved by the Risk Management and Audit Committee, to which all internal audit reports are submitted.

After control and mitigating factors are taken into account, some of the more significant risks that the Institution faces include:

- loss of data and/or virus infection to IOSH's IT systems
- the effect of the recession on the Institution's commercial income
- implications of the UK government's reviews and policy of reducing regulations that may have an adverse impact on companies buying health and safety training.

Reserves

A summary of IOSH's reserves is included in the accounts as note 16 (see pages 33–34).

It is our policy to aim to have disposable reserves equal to 24 months' fixed overheads to protect against an economic downturn in our commercial activities. A reserve for this purpose is being built up in the unrestricted sums general reserve and at 31 March 2011 totalled £6,975,000, which represents about 12 months' fixed overheads.

Research and development

IOSH is keen to give active help in establishing an evidence base for occupational safety and health policy and practice and to encourage innovation by making grants from its Research and Development fund.

The objectives of the fund are:

- to encourage research designed to be of use in occupational safety and health practice worldwide and specifically for promoting and implementing systematic and organised methods of improving health and safety as a critical contribution to public wellbeing
- to encourage, consider, fund and monitor new ideas that will enable the Institution to take advantage of strategic opportunities in support of its vision of a world of work that is safe, healthy and sustainable.

In addition to commissioning and funding research and development projects, IOSH actively supports other organisations undertaking research in occupational safety and health-related areas. We sponsor the British Occupational Health Research Foundation, a charity that organises and manages research, to help fund its studies in occupational health issues.

At £3,610,000, the Research and Development fund represented 27 per cent of our reserves at the year end. The money in the fund will be used to meet the above objectives. Once completed, the results from research we have funded are made publicly available without charge. Reports are included on our website and are free to download.

Bursary fund

Howard Charles Francis Phillips, of Wetherby, West Yorkshire, died in February 2009, aged 83, leaving a donation of nearly £100,000 to IOSH. His bequest will be

used to set up a bursary fund for people undertaking degrees in occupational safety and health.

Statement on disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the Board of Trustees.

Rob Strange OBE
Chief Executive
27 July 2011

Trustees' responsibilities in the preparation of financial statements

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgments 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
- state whether the financial statements comply with the Royal Charter of Incorporation, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditors' report

to the trustees of the Institution of Occupational Safety and Health

We have audited the financial statements of the Institution of Occupational Safety and Health for the year ended 31 March 2011 on pages 20–34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 18, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 March 2011 and of their incoming resources and application of resources for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the trustees' report is not consistent with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP
Statutory Auditor
St Philips Point
Temple Row
Birmingham
B2 5AF

Statement of financial activities

for the year ended 31 March 2011

	Notes	Group		Charity	
		Unrestricted funds		Unrestricted funds	
		2011	2010	2011	2010
		£,000	£,000	£,000	£,000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	3a	100	—	2,728	2,731
Activities for generating funds		6	7	—	—
Investment income and interest	3b	228	268	224	265
Incoming resources from charitable activities	1	9,538	9,176	4,153	3,831
Other incoming resources		60	197	8	16
Total incoming resources		9,932	9,648	7,113	6,843
Resources expended					
Costs of generating funds		2	4	—	—
Charitable activities	4a	9,167	8,802	6,368	6,008
Governance costs	4b	348	326	339	317
Other resources expended		9	—	—	—
Total resources expended		9,526	9,132	6,707	6,325
Net incoming resources before other recognised gains and losses, being net income for the year	6	406	516	406	518
Realised (losses)/gains on investments		(13)	446	(13)	444
Unrealised gains on revaluation of investments		98	—	98	—
Net movement in funds		491	962	491	962
Total funds at 01 April 2010		13,085	12,123	13,085	12,123
Total funds at 31 March 2011		13,576	13,085	13,576	13,085

Net incoming resources for the year arise from the group's and the charity's continuing operations.

The consolidated statement of financial activities constitutes an income and expenditure account for the purposes of the Companies Act 2006.

No statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the statement of financial activities.

The notes on pages 25–34 form part of these financial statements.

Balance sheets

as at 31 March 2011

	Notes	Group		Charity	
		2011	2010	2011	2010
		£,000	£,000	£,000	£,000
Fixed assets					
Tangible assets	7	2,648	2,832	2,638	2,815
Investments	8	2,572	2,487	2,825	2,740
		5,220	5,319	5,463	5,555
Current assets					
Stocks	9	82	56	—	—
Debtors	10	803	718	930	1,204
Cash at bank and in hand	12d	10,726	10,168	9,798	8,868
		11,611	10,942	10,728	10,072
Creditors: amounts falling due within one year	11	(3,255)	(3,176)	(2,615)	(2,542)
Net current assets		8,356	7,766	8,113	7,530
Total assets less current liabilities		13,576	13,085	13,576	13,085
Income funds					
Unrestricted funds					
General funds	16	6,975	6,471	7,228	6,724
Non-charitable trading funds	16	253	253	—	—
Designated funds	16	6,348	6,361	6,348	6,361
		13,576	13,085	13,576	13,085

The financial statements on pages 20–34 were approved by the Board of Trustees and authorised for issue on 27 July 2011 and signed on its behalf by

Nick Burraston OBE
Chair

The notes on pages 25–34 form part of these financial statements.

Consolidated cash flow statement

for the year ended 31 March 2011

	Notes	2011 £,000	2010 £,000
Net cash inflow from operating activities	12a	571	159
Returns on investments	12b	228	268
Capital expenditure and financial investment	12c	(241)	(391)
Increase in cash	12d	558	36

Reconciliation of net cash flow to movements in cash funds

	£,000	£,000
Increase in cash in the year	558	36
Net funds at 01 April 2010	10,168	10,132
Net funds at 31 March 2011	10,726	10,168

The notes on pages 25–34 form part of these financial statements.

Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities, published in March 2005, and applicable accounting standards.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Institution of Occupational Safety and Health and IOSH Services Limited.

The Institution includes the incomes and expenditure of branches where returns have been made prior to the preparation of the consolidated financial statements. Returns were received from all of the Institution's branches for the financial year.

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Institution and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated fund is set out in the notes to the financial statements.

Non-charitable trading funds equate to the net assets of the trading subsidiary and will fluctuate in line with retained earnings for the year.

Incoming resources
All incoming resources are included in the statement of financial activities when they are receivable, except as follows:

- membership income received in advance of future periods is deferred to the year to which it relates
- seminar and health and safety training income received in respect of courses which will run in the following year are deferred and recognised when the income has been earned.

Resources expended
Charitable activities' expenditure includes the direct costs of the activities and depreciation on related activities. Where such costs relate to more than one cost category, they have been split on an appropriate basis, such as by area used or numbers of staff.

Overhead and support costs have been allocated between membership, branch expenditure, promotion of health and safety and governance costs, based upon the proportion of expenditure in each category in relation to the total expenditure. Further details can be found in note 4c to the accounts.

Costs are normally charged to the accounts as and when incurred, except for costs of exhibitions and events, which are charged when the event occurs.

Governance costs are those expended in connection with the management of assets, organisational administration and compliance with constitutional and statutory requirements. Support costs represent that part of some central departments' costs, based on an estimate of the time employees in those departments spend on governance issues.

Liabilities are recognised in the accounts at the point the expenditure is incurred and a legal or constructive obligation arises requiring settlement with a third party.

Fixed assets and depreciation
Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful lives as follows:

Freehold property	2 per cent on a straight line basis
Office equipment	33⅓ per cent on a reducing balance basis
Computer equipment	33⅓ per cent on a straight line basis
Regalia and trophies	10 per cent on a straight line basis

Items of less than £500 are not capitalised.

Investments
Investments are stated at market value. The trustees value the 100 per cent shareholding in the trading subsidiary at its net asset value. It is the trustees' opinion that the market value is not materially different to the net asset value. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks
Stocks are stated at the lower of the cost and net realisable value.

Pension contributions
The group operates a defined contribution scheme, the assets of which are held in a separately administered fund. The costs of providing pensions for employees are charged in the statement of financial activities as incurred.

Operating leases
Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income as incurred.

Taxation
The Institution of Occupational Safety and Health is a registered charity and is thus exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charge has arisen within the charitable company.

Deferred taxation
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency policy
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the statement of financial activities.

Grants payable
Grants payable are recognised as liabilities in the accounts when set contractual criteria achieved by the recipient have been met. Grants committed when the performance criteria have not yet been met are described as a contingent liability.

Notes to the consolidated financial statements

for the year ended 31 March 2011

1 Incoming resources from charitable activities

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Membership	4,080	3,760	4,080	3,760
Conference and seminars	759	780	—	—
Health and safety awareness training	4,397	4,349	—	—
Publications	229	216	—	—
Branch income	73	71	73	71
	9,538	9,176	4,153	3,831

2 Net income of trading subsidiary

The Institution has one wholly owned trading subsidiary, IOSH Services Limited, which is incorporated in the UK. The subsidiary's principal activities in the year under review were those of the sale of health and safety publications, the provision of seminars and conferences and the development and accreditation of health and safety awareness training. Audited accounts have been filed with the Registrar of Companies. The profit and loss account of IOSH Services Limited is as follows:

	2011	2010
	£,000	£,000
Turnover	5,391	5,352
Cost of sales	(1,352)	(1,386)
Gross profit	4,039	3,966
Administrative expenses	(1,467)	(1,421)
Other operating income	52	181
Interest receivable	4	3
Amount covenanted to the Institution of Occupational Safety and Health	(2,628)	(2,731)
(Loss)/profit before taxation	—	(2)
Taxation	—	—
(Loss)/profit for the financial year after taxation	—	(2)
The aggregate of assets, liabilities and funds was:		
Assets	1,624	1,758
Liabilities	(1,371)	(1,505)
Equity shareholders' funds	253	253

Notes to the consolidated financial statements

for the year ended 31 March 2011

3a Voluntary income

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Deed of covenant receivable from subsidiary	—	—	2,628	2,731
Legacy income receivable	100	—	100	—
	100	—	2,728	2,731

3b Investment income and interest

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Dividends	37	66	37	66
Interest – fixed interest securities	23	1	23	1
Interest on CCLA investment	1	14	1	14
Interest on cash deposits	167	187	163	184
	228	268	224	265

4a Resources expended on charitable activities

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Direct charitable expenditure				
Membership	4,052	3,221	4,052	3,221
Conference and seminars	438	497	—	—
Health and safety awareness training	1,331	1,312	—	—
Publications and merchandise	131	123	—	—
Branch expenditure	512	365	512	365
Promotion of health and safety	2,341	2,811	1,442	1,949
Grants payable	362	473	362	473
Total	9,167	8,802	6,368	6,008

Grants payable of £362,000 (2010: £473,000) relate to research and development grants payable to universities (£225,000; 2010: £380,000) and other organisations (£137,000; 2010: £93,000) on the performance against set criteria by the recipient as set out within the contractual terms of the grant. The grants payable relate to the furtherance of the charitable objective to facilitate the exchange of information and ideas among the members of the Institution and of other professional bodies.

Support costs are considered to be immaterial to the grant-making activities of the Institution and therefore no allocation has been made.

Notes to the consolidated financial statements

for the year ended 31 March 2011

4b Governance costs

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Professional services	95	116	95	116
Legal expenses	60	35	60	35
Audit	20	21	11	12
Committee costs	76	76	76	76
Support costs	97	78	97	78
	348	326	339	317

4c Support costs

	Membership	Branch expenditure	Promotion of health and safety	Governance	Total
	£,000	£,000	£,000	£,000	£,000
Management	209	24	70	34	337
Finance	311	35	96	23	465
Information technology	290	34	97	—	421
Human resources	189	22	63	31	305
Facilities	121	15	40	9	185
	1,120	130	366	97	1,713

5a Employees

The average number of persons (full time equivalents) employed by the group under a contract of employment, together with temporary staff hired through agencies, during the year was as detailed below. The trustees consider there to be no material difference between average numbers and full time equivalents.

	2011	2010
	No.	No.
Membership	8	8
Conference and seminars	5	5
Health and safety awareness training	24	25
Professional affairs	10	10
Technical affairs	10	10
Promotion of health and safety	34	40
Management and administration	34	33
Networks and international	23	13
	148	144

	2011 £,000	2010 £,000
Staff costs for the above persons		
Wages and salaries including benefits in kind	4,154	3,992
Social security costs	384	367
Pension costs	163	171
	4,701	4,530

The group operates a defined contribution pension scheme whose assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group and amounted to £163,000 (2010: £171,000). No contributions were outstanding at the year end.

The number of employees, including the Chief Executive, whose emoluments as defined for taxation purposes were greater than £60,000 was:

	2011 No.	2010 No.
£60,001–£70,000	5	5
£70,001–£80,000	—	—
£120,001–£130,000	1	—
£130,001 - £140,000	—	1
	6	6

All these employees are accruing retirement benefits under a money purchase scheme.

The Chief Executive's remuneration was £145,000 (2010: £155,000), comprising £115,000 (2010: £125,000) salary, £17,000 (2010: £17,000) pension contributions and £13,000 (2010: £13,000) benefits in kind.

The Chief Executive is also a trustee and his payment as a trustee has been approved by the Charity Commission.

5b Reimbursed expenses

During the year a total of £6,000 (2010: £6,000) was reimbursed to a total of 11 (2010: 11) of the trustees. These reimbursements were in respect of travel costs incurred by the trustees. Although Rob Strange OBE is a trustee, his expenses have been incurred due to his role as Chief Executive, not as a trustee, and accordingly have not been included.

5c Indemnity insurance

The charity has expended £14,000 (2010: £16,000) during the year in respect of insurance to protect itself from any neglect or defaults of its trustees, employees or agents.

Notes to the consolidated financial statements

for the year ended 31 March 2011

6 Net incoming resources

Net incoming resources are stated after charging/(crediting):

	Group	
	2011	2010
	£,000	£,000
Depreciation and amounts written off tangible fixed assets:		
Charge for the year – owned assets	425	439
Operating lease rentals:		
Office equipment and motor vehicles	13	17
Auditors' remuneration:		
In respect of audit services	18	18
Other services	28	13
Foreign exchange gains	(5)	(2)

7 Tangible fixed assets

Group	Freehold property £,000	Office equipment £,000	Computer equipment £,000	Regalia and trophies £,000	Total £,000
Cost					
01 April 2010	2,977	875	1,890	6	5,748
Additions	8	1	232	—	241
31 March 2011	2,985	876	2,122	6	5,989
Depreciation					
01 April 2010	610	779	1,521	6	2,916
Charged in the year	60	32	333	—	425
31 March 2011	670	811	1,854	6	3,341
Net book value					
31 March 2011	2,315	65	268	—	2,648
31 March 2010	2,367	96	369	—	2,832

Charity	Freehold property £,000	Office equipment £,000	Computer equipment £,000	Regalia and trophies £,000	Total £,000
Cost					
01 April 2010	2,977	579	1,775	6	5,337
Additions	8	1	230	—	239
31 March 2011	2,985	580	2,005	6	5,576
Depreciation					
01 April 2010	610	486	1,420	6	2,522
Charged in the year	60	31	325	—	416
31 March 2011	670	517	1,745	6	2,938
Net book value					
31 March 2011	2,315	63	260	—	2,638
31 March 2010	2,367	93	355	—	2,815

8 Fixed asset investments

Group	CCLA £,000	Quoted investments £,000	2011 total £,000
Market value at 01 April 2010	416	2,071	2,487
Additions	—	362	362
Increase in cash held for future investment	—	56	56
Disposals at opening market value	—	(431)	(431)
Unrealised gains	32	66	98
Market value at 31 March 2011	448	2,124	2,572
Historic cost	150	1,963	2,113

Charity	CCLA £,000	IOSH Services Limited £,000	Quoted investments £,000	2011 total £,000
Market value at 01 April 2010	416	253	2,071	2,740
Additions	—	—	362	362
Increase in cash held for future investment	—	—	56	56
Disposals at opening market value	—	—	(431)	(431)
Unrealised gains	32	—	66	98
Market value at 31 March 2011	448	253	2,124	2,825
Historic cost	150	1	1,963	2,114

Quoted investments comprised:	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Cash deposit	105	51	105	51
Fixed interest	708	707	708	707
UK equities	942	886	942	886
Overseas equities	369	427	369	427
Total	2,124	2,071	2,124	2,071

The investment in subsidiary undertakings was valued by the trustees at 31 March 2011 and represents the net assets of the company at the balance sheet date.

All investments are held indirectly via UK investment and unit trusts.

At the year end there was one investment that represented more than 5 per cent of the total investment portfolio. This was the FTSE 100 Nav Unit Trust: 8.3 per cent (2010: 6.2 per cent).

Investments are held to secure investment returns and capital growth.

9 Stocks

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Goods for resale	82	56	—	—
	82	56	—	—

10 Debtors

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Trade debtors	436	623	10	270
Amount due from subsdiary undertaking	—	—	730	871
Prepayments	367	95	190	63
	803	718	930	1,204

Notes to the consolidated financial statements

for the year ended 31 March 2011

11 **Creditors:** amounts falling due within one year

	Group		Charity	
	2011	2010	2011	2010
	£,000	£,000	£,000	£,000
Trade creditors	707	729	476	543
Subscriptions received in advance	1,607	1,632	1,607	1,632
Other taxation and social security costs	195	182	195	182
Other creditors	296	311	—	—
Accruals	430	302	317	165
Deferred income	20	20	20	20
	3,255	3,176	2,615	2,542

All income deferred at the year end relates to activities during 2011–12. All income deferred in last year's accounts has been released to the statement of financial activities during this year.

12 **Notes to the cash flow statement**

12a Reconciliation of net incoming resources before revaluation to net cash inflow from operating activities

	2011	2010
	£,000	£,000
Net incoming resources before revaluations	406	516
Investment income	(228)	(268)
Net incoming resources before revaluation and investment income	178	248
Depreciation of tangible fixed assets	425	439
(Increase)/Decrease in stocks	(26)	79
Increase in debtors	(85)	(240)
Increase/(Decrease) in creditors	79	(367)
Net cash inflow from operating activities	571	159

12b Returns on investments

Interest received	191	228
Dividend income	31	31
Return on hedge and property funds	6	9
	228	268

Notes to the consolidated financial statements

for the year ended 31 March 2011

12c Capital expenditure and financial investment

	2011 £,000	2010 £,000
Purchase of tangible fixed assets	(241)	(391)
Proceeds from sale of investments	—	—
	(241)	(391)

12d Analysis of net funds

	at 01 April 2010 £,000	*cash flows* £,000	*at 31 March 2011* £,000
Cash at bank and in hand	10,168	558	10,726
Total	10,168	558	10,726

13 Related party transactions

The Institution has taken advantage of the exemption conferred by paragraph 3(c) of the Financial Reporting Standard 8, Related Party Disclosures, from the requirement to disclose transactions with its wholly owned subsidiary.

14 Capital commitments

There were no outstanding commitments at the year end or the prior year end.

15 Commitments under operating leases

At 31 March 2011 the group had annual commitments for office equipment and motor vehicles of £5,000 (2010: £6,000) under non-cancellable operating leases which expire within two to five years, and £5,000 (2010: £1,000) which expire within one year.

16 Statement of group and charity funds

	At 01 April 2010 £,000	Income £,000	Expenditure £,000	Investment gains £,000	Transfers £,000	At 31 March 2011 £,000
Unrestricted funds:						
General reserve	6,471	4,542	(3,358)	85	(765)	6,975
Non-charitable trading funds	253	5,336	(5,336)	—	—	253
Total unrestricted funds	6,724	9,878	(8,694)	85	(765)	7,228
Designated funds:						
Tangible fixed assets fund	2,815	—	(416)	—	239	2,638
Research and Development fund	3,546	54	(416)	—	426	3,610
Bursary fund	—	—	—	—	100	100
	6,361	54	(832)	—	765	6,348
Total funds	13,085	9,932	(9,526)	85	—	13,576

Total unrestricted funds are equal to the general funds within the charity's balance sheet, while the general reserve and non-charitable trading funds are shown separately on the group balance sheet.

The general reserve represents the free funds of the Institution which are not designated for particular purposes.

The non-charitable trading funds are equal to the net worth of the trading subsidiary and will fluctuate in line with that company's retained earnings.

The tangible fixed assets fund represents liquid funds that are equal to the group's fixed assets. The funds will diminish over the life of the underlying assets.

The Research and Development fund has been designated by the trustees in respect of funding future research and development activities. Allocations from the fund are made by both the Research Committee and the Board of Trustees.

The Bursary fund has been created to help people undertaking degrees in occupational safety and health.

Designated funds represent transfers from the unrestricted general reserve.

17 Analysis of group net assets between funds

	General funds	Non-charitable trading funds	Designated funds	Total
	£,000	£,000	£,000	£,000
Fund balances at 31 March 2011 are represented by:				
Tangible fixed assets	—	10	2,638	2,648
Investments	2,572	—	—	2,572
Net current assets	4,403	243	3,710	8,356
Total net assets	6,975	253	6,348	13,576

18 Contingent liabilities

Once a grant from the Research and Development fund has been made, its payment depends on performance under contractual terms. At 31 March 2011, grants of £695,000 (2010: £721,000) were potentially outstanding.

The charity is party to a group VAT registration with its wholly owned subsidiary and may be liable to settle all outstanding VAT liabilities under that registration. Total VAT liabilities for the group at 31 March 2011 were £78,000 (2010: £75,000) and are included within other taxation and social security costs under note 11.

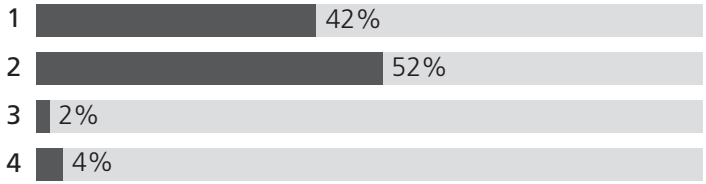
Five year summary: 2007 to 2011

	2011	2010	2009	2008	2007
Members	39,414	37,396	35,402	32,414	30,391
Gross income (£)	9,932,000	9,648,000	9,995,000	9,552,000	8,204,000
Net income (surplus) (£)*	406,000	516,000	970,000	1,499,000	810,000
Net assets (£)	13,576,000	13,085,000	12,123,000	11,452,000	10,026,000
IOSH Services donation (£)	2,628,000	2,731,000	3,161,000	3,061,000	2,434,000
Donation worth/ member (£)	66.68	73.03	89.29	94.43	80.09

*Net income is before gains/losses on investments, but after paying grants from our R&D Fund

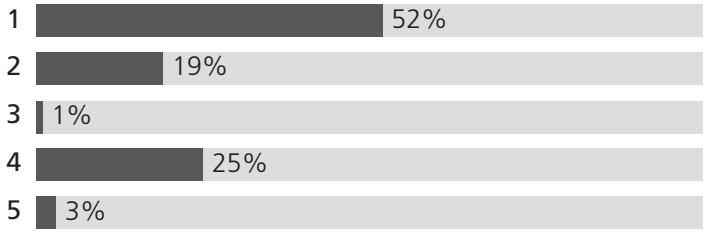
Finance at a glance

Income £9,932,000



1 Membership and branch services
2 Events and training
3 Publications and merchandise
4 Other income

Expenditure £9,526,000



1 Membership and branch services
2 Events and training
3 Publications and merchandise
4 Promotion of health and safety
5 Governance

Our net income at just over £400,000 is arrived at after making Research and Development grants of £362,000, but before investment gains of £85,000.

We need to maintain appropriate reserves to support our strategic objectives, and we aim to hold disposable reserves equal to two years' fixed overheads. IOSH has always taken a prudent approach to reserves, a large percentage of which are held in cash. This stance should augur well in the uncertain trading conditions we're currently facing, although the historically low rate of interest has affected interest receivable in the reporting year and is likely to continue to do so in the year to come.

We have three designated reserve funds: a tangible fixed asset fund of £2.6 million; a Research and Development Fund of £3.6 million and a Bursary Fund of £0.1 million, which is new this year. An increasing number of projects are being supported by our R&D Fund and at the end of the financial year grants of £0.7 million were potentially outstanding, although future payments will depend on grantees achieving contractual milestones.

We have a wholly owned trading subsidiary, IOSH Services Ltd, which despite the challenging trading environment generated a small increase in turnover. All profits from IOSH Services go back into IOSH, helping to fund services and support our lobbying, campaigning and charity work. IOSH Services – covering our training, publishing and professional development courses – made a net profit of over £2.6 million, before taxation and charitable donation.

Annual report online
As part of our drive to develop more environment-friendly practices, we've published our Annual report online in HTML and PDF formats, with a limited number of hard copies available.

Go to **www.ioshannualreport.co.uk** to:

- browse the 'Annual report 2011' microsite, including film clips, weblinks and image gallery
- download copies of 'Annual report 2011' and 'Annual accounts 2011'
- download the AGM notice for 2011

IOSH is the Chartered body for health and safety professionals. With nearly 39,500 members in 85 countries, we're the world's largest professional health and safety organisation.

We set standards, and support, develop and connect our members with resources, guidance, events and training. We're the voice of the profession, and campaign on issues that affect millions of working people.

IOSH was founded in 1945 and is a registered charity with international NGO status.

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