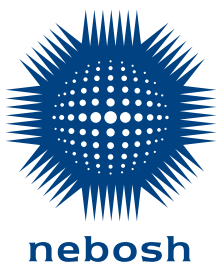


nebosh

Annual Report and Financial Statements

for the year ended 31 March 2012





nebosh

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Registered charity number: 1010444

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**Globally recognised safety, health
and environmental qualifications**



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This has been a landmark year for NEBOSH.

Our International General Certificate became our most popular qualification, overtaking the National General Certificate for the first time. Almost half of all registrations for NEBOSH examinations came from overseas and we accredited our 100th international course provider. Our international reach has become ever more apparent.

The total number of people who over the years have taken our National General Certificate hit the 150,000 mark, while for all of our qualifications the total figure went beyond 200,000. When you stop and think of the contribution that 200,000 people who are qualified in health, safety, environmental and risk management can make, you begin to understand the true value of NEBOSH.

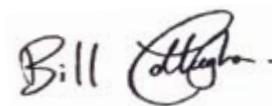
People who manage safety and control risks effectively, protect their employers from prosecution, damaged reputations and significant costs. Even more importantly they protect lives and prevent unnecessary injuries at work.

The fact that NEBOSH's contribution extends to an increasing number of countries throughout the world is something that everyone involved in the process – NEBOSH staff, course providers, students, employers and more – should be extremely proud of. Together we are raising standards that help to save as well as improve people's lives.

This was certainly a landmark year for me personally, as it was my first full year as NEBOSH Chair, following my appointment in the closing weeks of 2010/11. It has been very fulfilling to work alongside our Board of Trustees to help steer our vision of raising competence in health, safety, environmental and risk management in the workplace through a framework of qualifications, rigorous awarding procedures and promotion of high quality education.

We have continued to receive support from the many health, safety, environment and risk professionals who work for us as examiners. We also remain indebted to our accredited course providers who not only do a great job in preparing candidates for assessments, but also play a significant role in the development and promotion of our qualifications to our worldwide audience. Our staff have taken on the need for us to rethink the way we work and have implemented new working practices and systems with great enthusiasm. I applaud them all for this.

I hope you will see from this report that NEBOSH has enjoyed another successful year. Thank you to all of you who have played a part in this.



Sir Bill Callaghan
Chair

Chief Executive's Review

This year we have seen tremendous growth in candidate registrations. Overall, **registrations have increased by 19,565 to 110,001**, up by 22% compared to 2010/11.



Growth in registrations was particularly strong in our overseas markets. International registrations grew by 54% in 2011/12, surpassing the 45% growth we saw in 2010/11. International registrations now account for almost half of all NEBOSH assessments at 48%, up from 38% last year.

Encouragingly, we have also seen a slight increase in UK registrations over the past 12 months, up by 2%. UK registrations levelled off in 2008/9 and actually fell by 5% in 2010/11, so this represents a minor turnaround compared to recent years.

It is possible that in the UK annual demand for our National General Certificate and National Diploma has simply reached a plateau. In 2011/12, registrations fell slightly for both, by 3% and 4% respectively. However, we have experienced growth in all other qualifications, other than the National Construction Certificate which decreased by 11%.

The performance of our Construction Certificate would suggest that the economic situation in the UK may be continuing to have an impact on registrations.

At the same time, our strategy of introducing new and more specialist qualifications, along with the development of our international markets, certainly appears to be paying off. We remain optimistic that overall growth will continue in the years to come.

The number of NEBOSH accredited course providers has also continued to grow, to around 500, up 9% on 2010/11. The majority of our new providers were outside the UK and the increase in the number of those providers correlates with the increase in candidates in the corresponding regions. We are heartened at the progress towards our vision of improving health safety and environmental management in workplaces worldwide through improving competence in health and safety.

For the second year running, accreditation and enrolment fees were held at the same level, and unit registration fees remained the same as last year for all but our Diploma assessments. However, as a result of the growth in registrations, our income rose from £4,608,663 in 2010/11 to £5,669,931 in 2011/12, an increase of 23%. This, together with investment gains, has meant our reserves grew this year by £1,231,564.

In terms of both registrations and financial performance there can be no doubt that 2011/12 has been an incredibly successful year for NEBOSH, but we are not resting on our laurels. Success has been the result of hard work, continuous development and a determination to expand, modernise and maintain high standards.



“Accreditation of our qualifications and procedures with a regulator is essential. It recognises that our qualifications are subject to stringent quality procedures ...”

Accreditation

Fifteen months have now passed since our decision to migrate our portfolio of Ofqual (Office of Qualifications and Examinations Regulation) accredited qualifications to the Scottish Credit and Qualifications Framework (SCQF).

This decision followed dialogue with Ofqual and the UK Commission for Employment and Skills (UKCES), regarding the new Qualification and Credit Framework (QCF) and the planned closure of the National Qualification Framework (NQF) to vocational qualifications.

NEBOSH has Approved Awarding Body status from the Scottish Qualifications Authority (SQA) and the SQA has a remit to regulate and accredit qualifications across the UK.

Over the past 12 months three more of our qualifications have been accredited by the SQA – the **NEBOSH Health and Safety at Work** qualification, the **NEBOSH International Diploma in Occupational Health and Safety** and the **NEBOSH National Certificate in the Management of Health and Well-being at Work**. Altogether, nine of our qualifications are now accredited to the SCQF.

Accreditation of our qualifications and procedures with a regulator is essential. It recognises that our qualifications are subject to stringent quality procedures and that we comply with statutory regulations in the development of syllabuses, the setting

and marking of assessments and in the certification of successful students.

We have been very happy with the service from the SQA and prefer their more structured and technical approach to accrediting our qualifications. We plan to complete the accreditation of our qualifications with SQA and their credit and levelling on the SCQF early in the next business year.

During 2011, Ofqual informed us it was to carry out a “mystery shopping” exercise among all of its Awarding Organisations (AOs).

The aim was to test responses via email and telephone to a number of scenarios, such as the “process for obtaining a replacement certificate,” a “request for syllabus/detail of a qualification” and an “enquiry about the appeals process,” overall, ten different scenarios were assessed.

The mystery shopping exercise was carried out between September and October 2011 and we were informed of the results in November 2011. NEBOSH scored well above the average for all awarding organisations in all categories, obtaining the maximum score possible in several categories. Ofqual made positive comments about many aspects of our service including speed of response to email enquiries and professionalism/politeness when dealing with phone calls. Overall we were ranked by Ofqual as “good” for telephone enquiries and “good” for email enquiries.

Qualifications

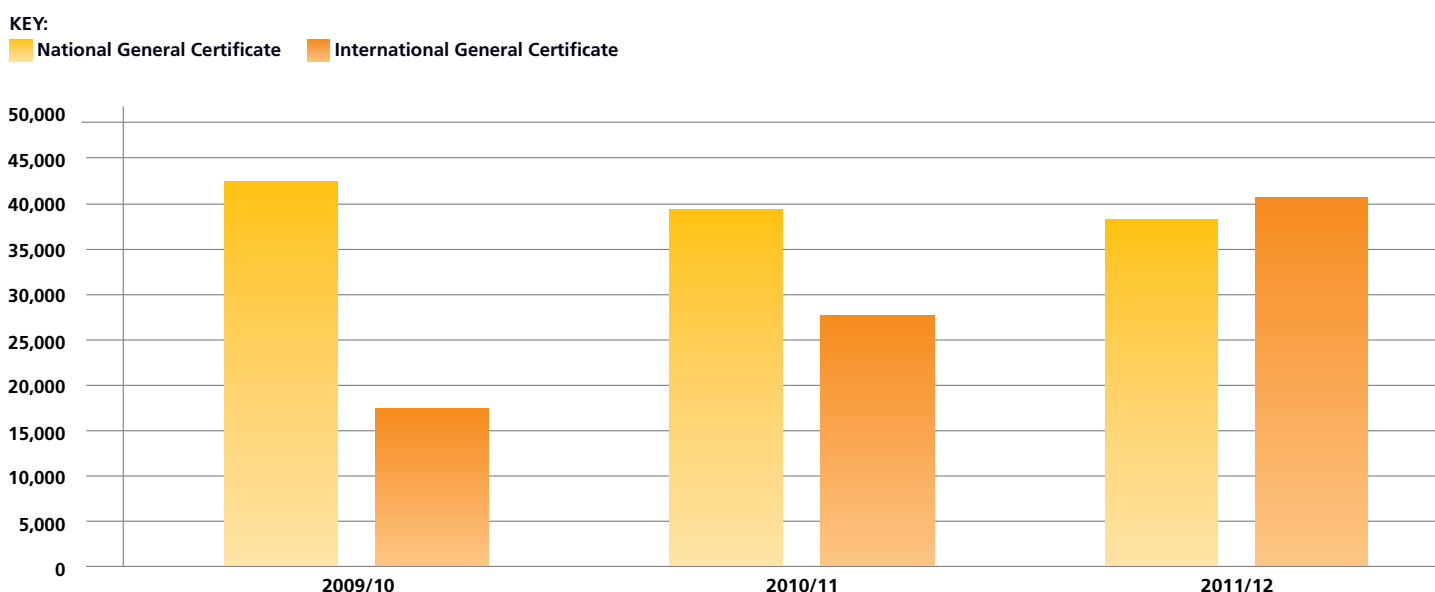
This year we launched one new qualification – the **NEBOSH International Certificate in Fire Safety and Risk Management**. This international variant of our popular UK-relevant Fire Safety and Risk Management Certificate was unveiled at the Intersec trade fair in Dubai in January 2012.

We now offer two Award level qualifications, nine different Certificates and three Diplomas, taking the overall number of NEBOSH qualifications to fourteen.

In 2010 we launched the **NEBOSH Health and Safety at Work** qualification. It was designed to meet the needs of an international audience and multi-national employers, and our vision was always to offer the qualification in multiple languages.

In 2011, the first NEBOSH Health and Safety at Work examinations in a foreign language took place. The official launch of the Arabic language version of our Health and Safety at Work qualification was held at the British Embassy in Bahrain in November 2011. To the end of the year under review there were 28 examination sittings in Arabic and feedback from students and their employers has been very positive.

Figure 1 Registrations for National and International General Certificate over the last three years.





Sean Minnican collecting his award from Teresa Budworth.

This was followed in February 2012 by the launch of a Mandarin language version of the same qualification. The launch was timed to coincide with the Chinese New Year celebrations. China, Taiwan, Singapore and Malaysia, where Mandarin is most commonly spoken, are among the fastest growing and most successful economies in the world. Over 1 billion people speak Mandarin and as a result of a twenty-fold increase in trading between China and the rest of the world in the past 10 years, many people from countries outside the region are also now using this language.

The **NEBOSH Health, Safety and Environment in the Process Industries** qualification was revised to make it more suited to our worldwide market and was showcased at the 10th American Society of Safety Engineers (Middle East Chapter) conference in Bahrain in February 2012.

Course providers responded positively to a consultation which proposed altering the syllabus of our National Certificate in Environmental Management to make it more internationally relevant. They have also backed the development of common units for the National and International General Certificates in Occupational Health and Safety. More detailed work on this will continue into 2012/13.

The proposed development of an introductory level Environmental Management at Work qualification also met with approval and we now intend to develop this new qualification in 2012/13.

The **NEBOSH International General Certificate** is now our most popular qualification. In 2011/12 registrations for the International General Certificate surpassed those for the **NEBOSH National General Certificate** for the first time.

Over the year there were 40,809 registrations to sit units of the **NEBOSH International General Certificate**, 3,043 more than for the National General Certificate (see *Figure 1*). Compared to 2010/11, International General Certificate registrations increased by 49%.

The International General Certificate was launched in 2005 after it became clear there was demand from outside the UK for a NEBOSH Certificate.

Registrations for the **NEBOSH National General Certificate** continued to fall slightly, down 3% on last year to 37,766. It is clear, however, that this qualification is still very relevant as a vocational qualification in the UK.

Our annual NEBOSH Jobs Barometer research, which each year examines the level of demand for qualifications in UK job advertisements for health and safety positions, shows that 72% of employers insist that applicants hold either a NEBOSH Diploma or National General Certificate.

Research among students also recently revealed that the National General Certificate is not just a qualification that is sought after by those in health and safety positions. As many as 81% of those who achieve the qualification are employed to perform another primary role. Feedback from past students is that holding this qualification enhances their career prospects within their chosen field.

One example is Sean Minnican, a 26 year old mechanical engineer from Cumbria, who during the course of 2011/12 became the 150,000th candidate to pass their **NEBOSH National General Certificate**. Sean is convinced that achieving his NEBOSH Certificate helped him to secure his current position.

Although we are no longer seeing growth in National General Certificate registrations, it remains the NEBOSH qualification that most people hold; more in fact than all of our other qualifications combined.

Chief Executive's Review

Figure 2 Registrations for specialist Certificate Qualifications over the last three years.

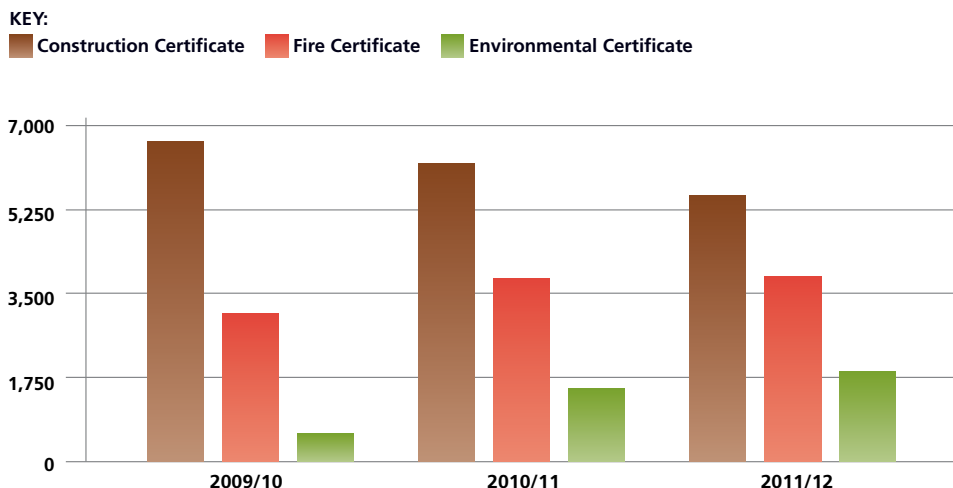
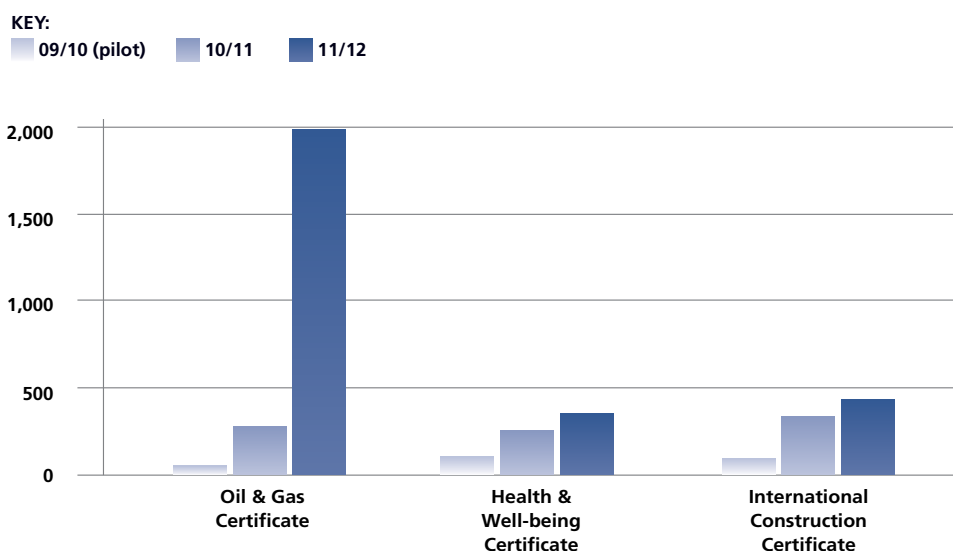


Figure 3 Unit registrations for new qualifications over the last three years



The UK construction industry returned to recession in the first quarter of 2012 and has been struggling for some time, particularly as a result of sharp cuts in public sector spending.

Inevitably, this has continued to have an impact on the level of investment in training in the industry, and for the third year running there has been a decline in the number of registrations for the **NEBOSH National Certificate in Construction Health and Safety**, down 11% on last year (see *Figure 2*).

Registrations grew by just 1% for the **NEBOSH Fire Safety and Risk Management Certificate** to 3,746. Three years ago there were just over 2,500 registrations. It would appear that growth following the launch of the Fire Safety and Risk Management Certificate in 2005 is beginning to level off (see *Figure 2*).

It will be interesting to view the performance of the new International Certificate in Fire Safety and Risk Management in 2012/13,

following its launch in January 2012.

Growth in registrations continues for the relatively new **NEBOSH National Certificate in Environmental Management**, which was officially launched three years ago following a pilot phase in 2008/09. The number of registrations increased from 1,432 in 2010/11 to 1,876 in 2011/12. This represents an increase of 31% (see *Figure 2*).

Our own research suggests that around 60% of health and safety managers in the UK have some responsibility for environmental management in the workplace.

Also, two thirds of our students who take a NEBOSH environmental qualification are employed in a health and safety role.

Through our regular student, employer and course provider newsletters we have been encouraging more people to take our Environmental Certificate and Diploma qualifications. This will continue through 2012/13 and beyond.

We have been delighted with the performance of the **NEBOSH International Technical Certificate in Oil and Gas Operational Safety**, the third of our new qualifications launched in 2010/11 (*Figure 3*). Annual registrations grew to almost 2,000 from 265 last year, up 632%. Around 750 of these registrations were in the final three months of 2011/12.

The Deepwater Horizon disaster in the Gulf of Mexico in 2010 was a wake-up call for the industry everywhere to look more closely at its safety standards and procedures. We hope that our qualification will help organisations in the sector in their drive to raise safety standards.

Registrations for our **NEBOSH National Certificate in the Management of Health and Well-being at Work** grew by 48% last year. This is encouraging, although compared to other NEBOSH qualifications, annual registrations are relatively low (see *Figure 3*).



Michael Brooks and Andrew Brooks.

The Health and Well-being Certificate was launched last year following a 12 month pilot phase. As yet, we have not seen the level of uptake anticipated from the public sector. Training budgets are likely to have been affected by spending cuts.

The National Certificate in the Management of Health and Well-being at Work was accredited by the SQA this year at Level 6 with 7 SCQF credit points.

The downturn in construction has not been limited to the UK. Countries around the world are projecting that their construction industries will continue to remain flat throughout 2012, particularly as a result of reductions in spending by governments. Even in the Middle East, a vibrant international market for NEBOSH, construction has slowed.

We believe this has affected registrations for the **NEBOSH International Certificate in Construction Health and Safety** which were relatively low at 431 for the year, following its official launch in 2010/11. On a positive note, registrations grew by 26% (see *Figure 3*).

Even more positive has been the growth in registrations for our **NEBOSH Health and Safety at Work** qualification. This too was officially launched in 2010/11 following the largest product development project we have ever undertaken.

The aim was to establish an introductory level qualification that would provide a progression

route on to our International General Certificate. The qualification is internationally relevant and can benefit almost any role in any type of workplace. With this broad focus we are keen to see the Health and Safety at Work qualification develop, in time, to become one of our most popular qualifications.

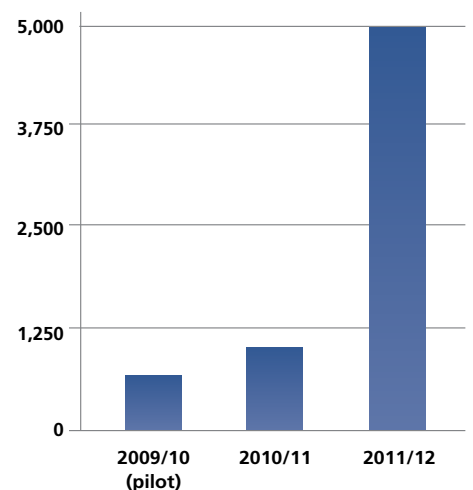
Performance in its first official year of 2010/11 was encouraging, with over 1,000 registrations. This year we have seen almost 5 times this number, falling just short of 5,000 (see *Figure 4*). This is extremely positive and is testament to the hard work of our course providers and NEBOSH personnel in promoting the qualification to our growing international audience.

Offering this qualification in languages other than English is also important. Making the Health and Safety at Work qualification available in Arabic, Russian and Mandarin is just the beginning. Other languages will be offered in due course.

Our Health and Safety at Work qualification was accredited by the SQA this year at Level 5 with 3 SCQF credit points.

Our other more recently developed Award level qualification, the **NEBOSH Health, Safety and Environment in the Process Industries** qualification, has been developed for people who work in the chemical process industries. The qualification originally focused on UK legislation, but was revised from February 2012 to make it suitable for the global market.

Figure 4 Registrations for the Health and Safety at Work qualification



Chief Executive's Review

The **NEBOSH National Diploma in Occupational Health and Safety** continues to be the most sought after professional level health and safety qualification in the UK.

Deemed by the SQA to be the equivalent of an honours degree, it entitles holders to graduate membership of the Institution of Occupational Safety and Health (IOSH). It is an attractive option for those seeking chartered membership of IOSH because the choice of flexible teaching patterns allows studies to be spread over up to five years, meeting the needs of those working full time.

Pass rates for the National Diploma remain stable with a cumulative pass rate of 87%. Although many students initially find the Diploma assessments a challenge, they generally find that with persistence, they succeed. Overall pass rates, and the change over the last year is shown in *Figure 5*. This clearly demonstrates that those students re-sitting units do tend to succeed at a second attempt.

New enrolments for the National Diploma fell by 4% this year, down from 1,430 in 2010/11 to 1,378 in 2011/12 (see *Figure 6*).

Unit registrations also fell by 4%, from 6,037 to 5,822. It is possible that Britain's economic uncertainty and the likelihood of a double-dip recession has continued to have an impact on the training budgets and strategies of employers. If this is the case a relatively minor fall in enrolments of just 4% should not give rise to too much concern. We may also have to accept that growth cannot be sustained indefinitely for our more established qualifications, such as the National Diploma and National General Certificate.

It is now four years since we introduced an international variant of our Diploma. New enrolments for the **NEBOSH International Diploma in Occupational Health and Safety** continue to grow, up by a quarter (25%) on 2010/11 to 1,048 (see *Figure 6*).

Pass rates for the International Diploma continue to fall short of those achieved for our National Diploma (see *Figure 7*). International students are also spreading their studies and assessments over longer periods, which we believe could be a reflection of the higher proportion of these students who study in their own time through distance learning.

A revised syllabus was published for the International Diploma in August 2011, with new students being enrolled to this specification from January 2012. International Diploma examinations in July 2012 and January 2013 will assess only the content that is common to both the 2011 and 2008 syllabuses. Examinations from July 2013 onwards will be to the August 2011 syllabus only.

Our International Diploma in Occupational Health and Safety was accredited by the SQA this year at Level 10 with 47 SCQF credit points.

In line with the growth in registrations on our Environmental Management Certificate, we have been particularly encouraged by the recent growth in registrations for our **NEBOSH National Diploma in Environmental Management**. Registrations for our Environmental Diploma grew by 15% this year to 942. Growth has been steady for several years now.

Environmental management has become increasingly relevant among health and safety professionals as employers frequently combine the disciplines into the same job role. As a result, we anticipate that this steady growth will continue.

Figure 5 Cumulative pass rates on NEBOSH National Diploma.

KEY: ■ 31 March 2010 ■ 31 March 2011 ■ 31 March 2012

% pass rate

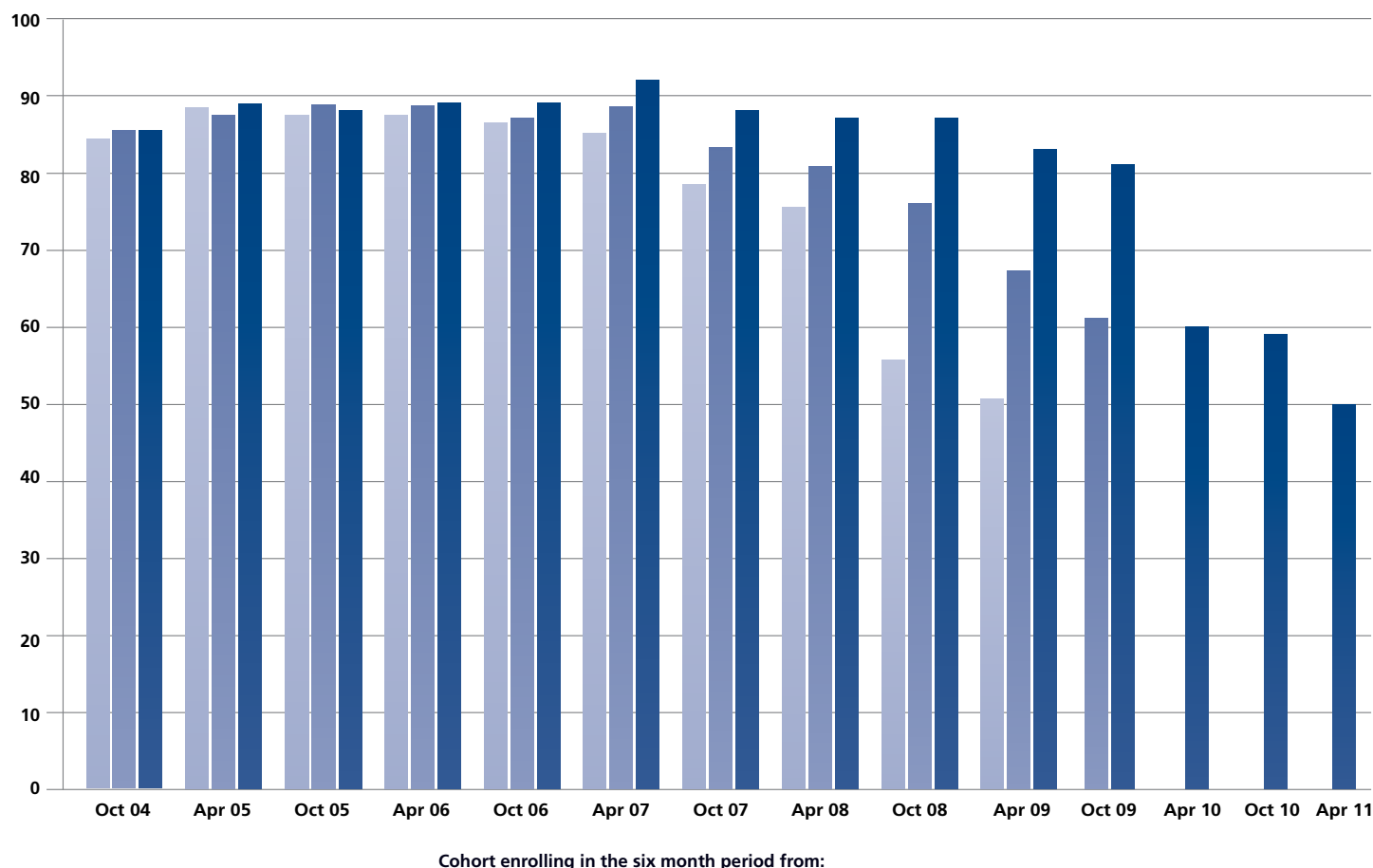


Figure 6 New enrolments on National and International Diploma over the last three years.

KEY: ■ National Diploma ■ International Diploma

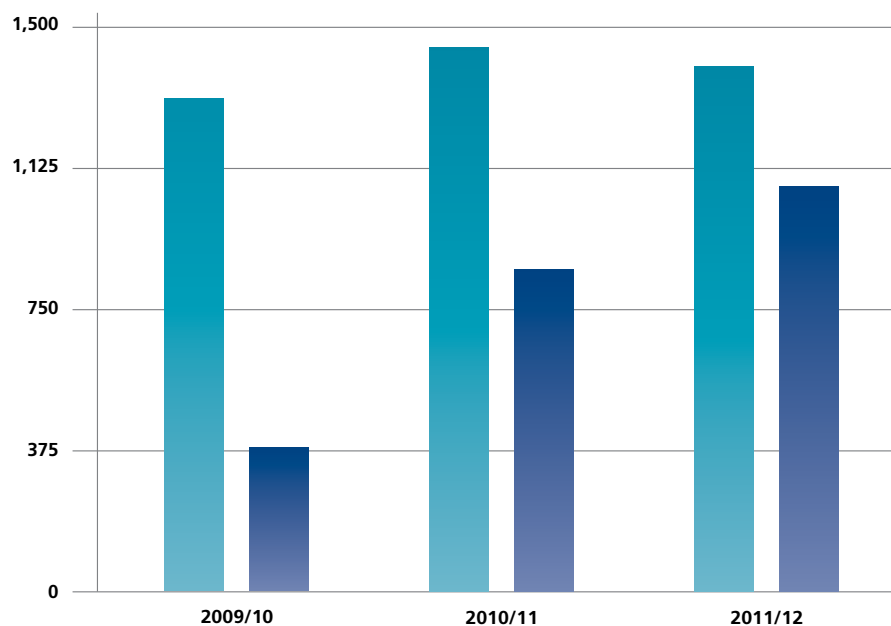
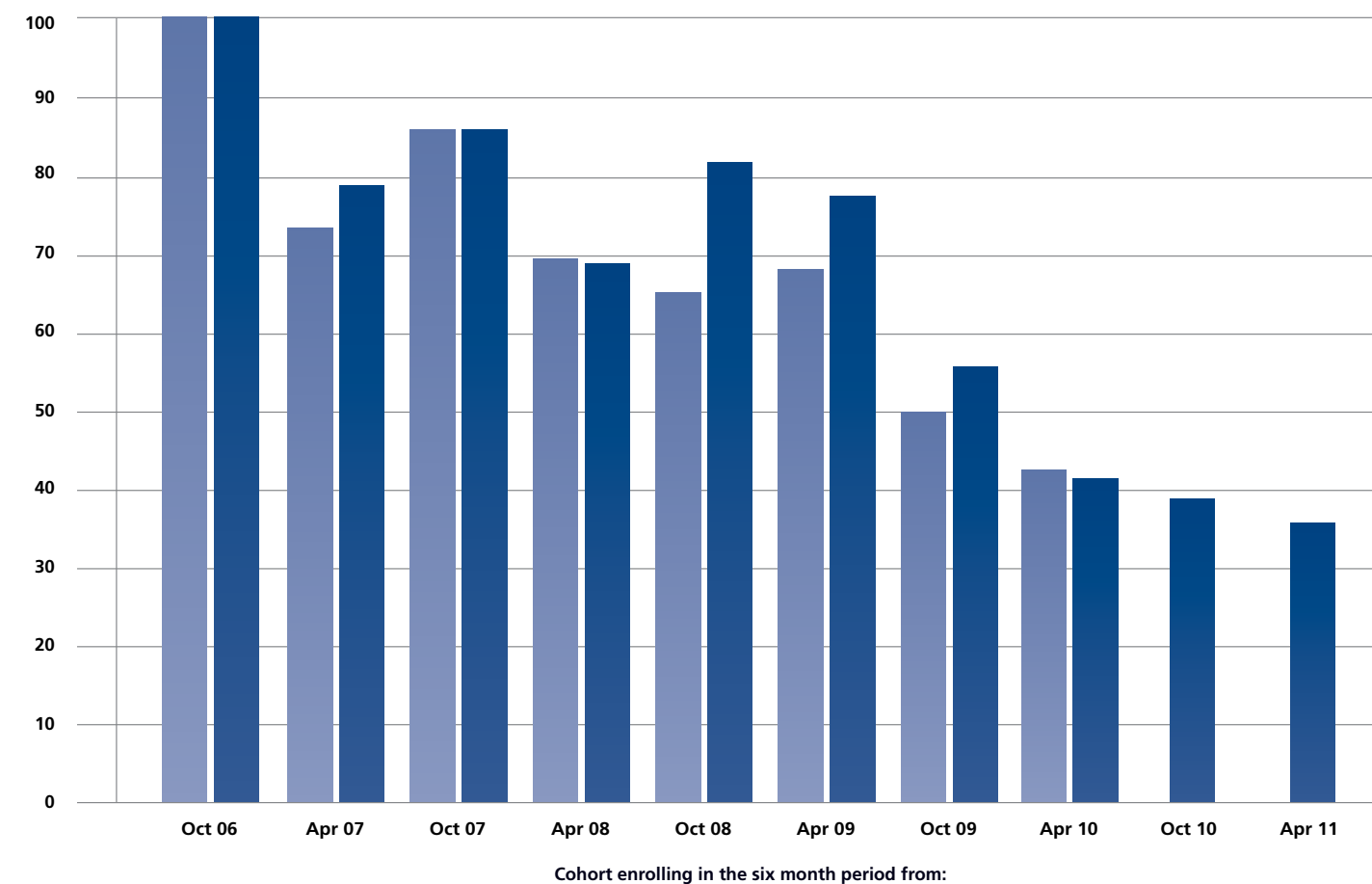


Figure 7 Cumulative pass rates on NEBOSH International Diploma.

KEY: ■ 31 March 2011 ■ 31 March 2012

% pass rate





NEBOSH Top Candidates for the Year 2011/12

The NEBOSH Best Candidate Awards recognise and reward the achievements of the best performing candidates for both Certificate and Diploma qualifications during the year.

The following candidates gained the highest marks in NEBOSH assessments during 2011/12:

NEBOSH National General Certificate in Occupational Health & Safety

Mr Jonathan New

Studied with Gower College

NEBOSH National Certificate in Construction Health & Safety

Mr Stuart Hewes

Studied with CCS Training Ltd

NEBOSH International General Certificate in Occupational Health & Safety

Mrs Aminah Mohd Nordin

Studied with Energy Industries Training
Centre Ltd

NEBOSH National Certificate in Fire Safety & Risk Management

Miss Helen Coy

Studied with Merseyside Fire and Rescue

NEBOSH National Certificate in Environmental Management

Mrs Cheryl Sloan

Studied with A Plus Safety and Training
Services Ltd



Darren Palmer, Raymond Bone, Brian Howard, Stuart Male, Andrew Shutt, Michael Cocks

**NEBOSH International Technical Certificate
in Oil & Gas Operational Safety**

Mr Duncan Gow

Studied with CCS Training Ltd

NEBOSH National Diploma Unit A

Dr Ann Maria Roach

Studied with EEF Training

NEBOSH National Diploma Unit B

Mr Barry McGuinness

Studied with BEMAC Training Ltd

NEBOSH National Diploma Unit C

Mr Jonathan Cleary

Studied with Santia Training Services

NEBOSH National Diploma Unit D

Mr David Clarke

Studied with Integra Training & Consulting

NEBOSH National Diploma

Mr Jamie Lewis

Studied with RRC Training

NEBOSH International Diploma

Mr Satya Prakash Gautam

Studied with RRC Training

**NEBOSH National Diploma in
Environmental Management**

Miss Kelly Barratt

Studied with Key Consultancy Ltd (The)

**NEBOSH Knowledge Test for the
Alstom International Environment,
Health and Safety Passport**

Mr James Fuller

Chief Executive's Review



Charitable Activities

Our purpose as a charity is promoting competence in health, safety and environmental management. In that respect our core activities are charitable activities. Our growth as a business represents an increase in the number of people we are assisting on their journey to competence in health, safety and environmental management which in turn, increases the impact they make on improving health, safety and sustainability in workplaces around the world.

As a registered charity, we believe we have an obligation to work with other charitable organisations in promoting health and safety, particularly through education and training. This is a core value embedded in our Memorandum of Association, which states:

“The objects of NEBOSH shall be the preservation of health by the promotion of high standards of health, safety and environmental protection at work in particular, but not exclusively, through study and competence in risk management.”

RoSPA Awards

For several years now NEBOSH has been the headline sponsor of the annual Royal Society for the Prevention of Accidents (RoSPA) Occupational Health and Safety Awards.

The 2011 Awards produced more than 1,750 winners from the UK and overseas. They recognise the health and safety success of organisations, not only in terms of accident records, but also their management systems and important practices such as strong leadership and workforce involvement.

We believe the Awards make a major contribution to raising standards of health and safety. As well as sponsoring the RoSPA Awards, NEBOSH personnel sit on the judging panel.

In addition, NEBOSH continues to support the work of RoSPA through membership of its National Occupational Safety and Health Committee.

Charities Safety Group

In 2011/12 we continued to work with the Charities Safety Group (CSG) to support individuals from the charitable and voluntary sectors studying for their NEBOSH National General Certificate.

Not only do we waive fees for these individuals, but for several years now course providers have provided free places to candidates who apply through the CSG. Scholarships are offered to small charities and voluntary organisations that lack the resources to acquire health, safety and welfare competencies for their existing workers. For this reason organisations that do not already employ a safety practitioner are given preference by the CSG Scholarship Board.

We are extremely proud of the contribution made by course providers, who continue to offer more places than applications received. Several course providers have also asked us to support other charities that are not part of the CSG and we have been happy to waive fees on these occasions also.

Safety Groups UK

In the UK there are more than 70 occupational health and safety “Groups” located throughout the country. These groups provide a local forum for meeting, networking and co-operation between employers of all kinds, health and safety inspectors and trade unions. They can be particularly useful in supporting small businesses on health and safety issues.

Safety Groups UK is the co-ordinating body for these groups, providing regional groups with useful and timely information, speakers for events, financial support and more.

Keen to support Safety Groups UK, NEBOSH has on occasions provided financial support for its activities, but more importantly has offered the help of our staff. NEBOSH Accreditation Advisor, Ian Cooke is a member of Safety Groups UK’s management committee, and is also a key player in the Leicestershire regional group LOSHA (Leicestershire Occupational Safety and Health Association).

This year we sponsored Safety Groups UK to produce a DVD on health risks at work, which is aimed at small businesses.

“The objects of NEBOSH shall be the preservation of health by the promotion of high standards of health, safety and environmental protection at work in particular, but not exclusively, through study and competence in risk management.”



International Development

A highlight for NEBOSH in 2011/12 has been our continued international development.

There have been several milestones during the year that mark a shift towards NEBOSH having greater significance throughout the world as a health, safety and environmental vocational examinations body.

As has already been highlighted, our International General Certificate became our most popular qualification, overtaking our National General Certificate for the first time. Also, the gap between registrations for our International and National Diplomas has continued to close.

In October 2011 we accredited our 100th international course provider. Fewer than ten years ago we had just five course providers in three countries outside the UK; now we have more than 100 permanently based in 35 different countries. Through our UK-based and distance learning providers, we offer courses of study and examinations around the world. In the year under review our assessments were taken in 103 countries.

Overall, registrations from outside the UK grew by 54% in 2011/12. At the beginning of the year, 38% of all NEBOSH registrations were from overseas. By the end of the year,

this percentage had grown to 48%. At the rate of current growth it will only be a matter of months before overseas registrations surpass those from the UK.

The Middle East continues to be our largest overseas market, accounting for 22,604 registrations this year, up 56% on 2010/11. Registrations also grew in our second largest overseas market of Asia, up by 79% to 18,261.

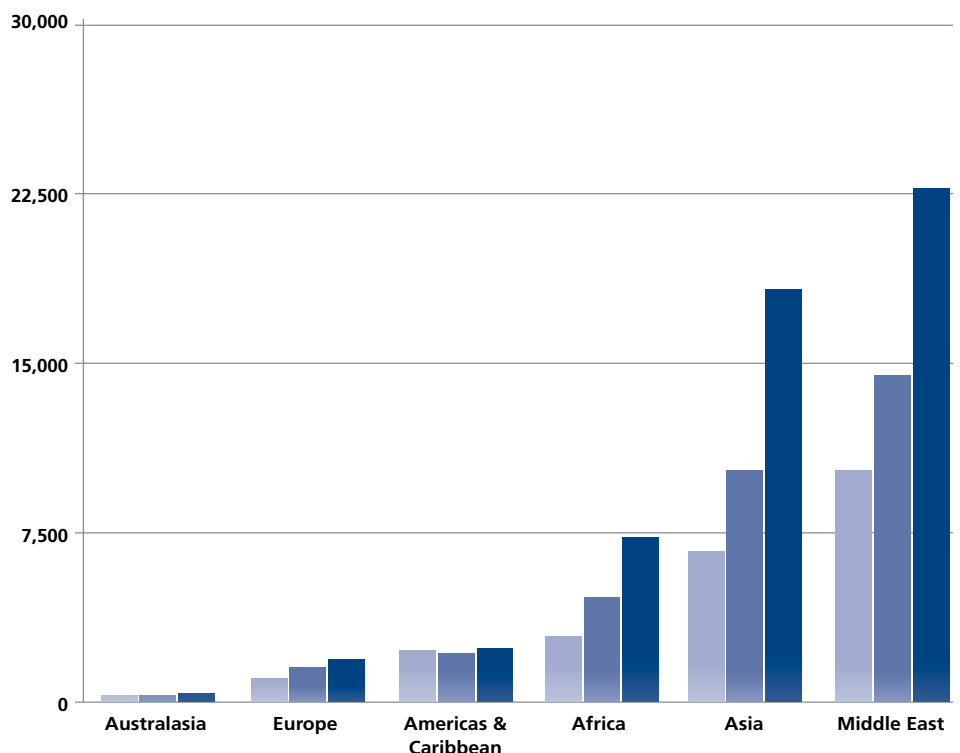
In fact, we saw growth in all of our overseas regions. Africa was up 61%, Europe up 23%, Australasia up 11% and Americas and Caribbean up 10% (see Figure 8).

Next year we will continue to develop our understanding of the issues that affect our diverse markets. We will work closely with Government departments and major employers to remove barriers to our working internationally and to explain our qualifications.

As our international relevance grows it is essential that we create relationships with overseas organisations, governments and employers to further raise our profile. This will allow us to carry on developing health and safety qualifications which meet their needs, reflect the hazards present in their workplaces and most importantly, help to safeguard people at work around the world.

Figure 8 Assessment registrations outside of the UK over the last three years.

KEY: 2009/10 2010/11 2011/12





Rachel Ford

Communications and Services

While growth is important to NEBOSH, it is also essential that we continue to modernise to ensure maximum efficiency of our operations and provide the highest possible standards of customer service to course providers, students and other stakeholders.

Investment in IT has been a key priority for us in recent years. In January 2011 we began to pilot our CPI (Course Provider Interface), which among other things enables course providers to make online registrations for all qualifications other than the National and International Diplomas. Around half of all course providers are now using the CPI and over 70% of registrations are made online.

We have provided real-time online training in the use of the CPI and have also developed an e-training package to support course providers. Feedback received concerning the CPI has been very positive. The system is quick and provides course providers with information about students, registrations and results, which is instantly available. From our own perspective, the CPI has improved efficiency and has allowed us to move closing dates for registrations closer to the examination date for CPI users.

Our new Intranet system was implemented at the beginning of the year, and is now available to all internal NEBOSH staff. The main benefits have been an improvement in communication and the sharing of information and documentation between different areas of NEBOSH, as well as better workflow, efficiency and audit trails.

A dedicated Project Manager has been recruited to manage the replacement of our Affiliate database system. Currently this database stores information on course providers, students and qualifications and is central to our operations. What we are seeking to achieve now is greater functionality by, for example, providing external access to course providers so that they can manage their own profiles, extract management information and so on. Likewise a students' portal, where they can update their contact details, view examination history and get their results more quickly is being considered. In essence, we want an improved interface between our internal and external systems. Requirements have been gathered and further consultation will take place with course providers next year before work commences.

Outsourcing of the print and dispatch of standard date assessments to an external provider is complete. This includes everything from examination pack production to script return and checking. We are also now mid-way through the process of outsourcing all "on demand" assessments. On demand is more complicated. Standard date assessments take place on fixed dates and numbers are set well in advance. On demand is more fluid and flexible, and assessments can potentially take place on any day of the year. We expect this project to be completed by September 2012. Outsourcing has enabled us to increase operational capacity to handle the growing number of new qualifications and candidates and has generally improved efficiency.

This year NEBOSH has embraced the social media revolution to further improve communication with students, employers, course providers and other stakeholders. Our Facebook page is popular, with well over 1,000 'Likes' and is particularly suited to our international audience.

We also provide Twitter feeds, have a channel on YouTube for video communications and offer updates via LinkedIn and Google+. We also continued to communicate using more traditional methods, through our regular student and employer, course providers and NEBOSH Council newsletters.

Our reputation for robust and relevant qualifications is a major factor in our success. NEBOSH is held in high regard and is respected throughout the world. However, it is essential that we safeguard our reputation by maintaining the integrity of our qualifications. This year we have taken additional steps to enhance our malpractice detection and prevention policies and systems. We are currently piloting software to help us improve the identification of plagiarism in practical assessments (Units D and ID of our National and International Diplomas).

We have increased the number of examination inspections we undertake. This means that any non-compliance with our "conduct of examinations" requirements is more likely to be identified, which in extreme cases can lead to loss of course provider accreditation. With our growing international relevance, it has become even more important that we have a broad and reliable network of examination inspectors throughout the world. We are particularly grateful to members of the British Council who have increasingly been taking on this role, on our behalf. Other credible third-party inspectors have also recently been recruited overseas. In the UK, we now have a regional network of inspectors, whereas previously these were all Leicester (NEBOSH HQ) based.

I am happy to report that although we do very occasionally uncover non-compliance, in almost all cases we find that our course providers take examination conduct extremely seriously, which is rewarding to see.

"This year NEBOSH has embraced the social media revolution to further improve communication with students, employers, course providers and other stakeholders."

Chief Executive's Review

Events

This year we have attended several events throughout the world to promote our organisation and our range of qualifications. In the UK these have included:

**Safety and Health Expo,
Birmingham, May 2011**

**Health and Well-being,
Northern Ireland, October 2011**

**Training and Career Development Live,
virtual exhibition, November 2011**

**International Energy, Skills & Training
Alliance (IESTA), Aberdeen December
2011**

**IOSH Conference and Exhibition,
Manchester, March 2012**

Overseas, we exhibited or made presentations at the following:

**IOSH Middle East Conference,
Dubai, May 2011**

**Abu Dhabi International Petroleum
Exhibition and Conference (ADIPEC),
Abu Dhabi, June 2011**

**International Network of Safety and
Health Practitioner Organisations
(INSHPO) Turkey, September 2011**

**OSH Africa, South Africa, September
2011**

**7th HSE Energy Forum, Doha,
Qatar, October 2011**

**BAE Safety Symposium, Riyadh,
Saudi Arabia, October 2011**

**OSH Saudi Arabia, Riyadh, Saudi Arabia,
November 2011**

Intersec, Dubai, January 2012

**American Society of Safety Engineers
(ASSE) Middle East Chapter, Bahrain,
February 2012**

Three hundred and sixty eight people who passed their NEBOSH Diploma (National, International or Environmental) were joined by family and friends at Warwick University on 27 June, on what turned out to be one of the hottest days of the year. Some had journeyed from all corners of the world to attend the event, from countries such as Australia, Azerbaijan, Bahrain, India, Mauritius and the USA.

Those who achieved the highest marks in NEBOSH Certificate and Diploma examinations were also presented with special awards at the graduation. Interviews featuring students and course providers who attended the event can be viewed on our YouTube channel, which can be accessed via our website.

We held our UK annual course provider meeting in July and our international course provider meetings in Dubai and Mumbai in January 2012. These are important gatherings and are an excellent opportunity for us to listen to the views of course providers and to understand their needs as we move forward.



We have continued to offer workshops for course providers during 2011/12. Course providers tell us these have been effective in helping them learn more about the processes of setting and marking assessments and understanding what examiners are looking for. In turn, this helps them to better prepare their students for assessments.

One personal highlight for me this year was attending an evening reception at the British Embassy in Bahrain. The event was held to mark the official launch of the Arabic language version of our Health and Safety at Work qualification. Her Majesty's Ambassador to the Kingdom of Bahrain, Mr Iain Lindsay OBE, was our host and several Middle Eastern dignitaries were also present.

The subsequent celebration we held at our headquarters in Leicester in February to mark the launch of our Health and Safety at Work qualification in Mandarin Chinese was equally entertaining. Timed to coincide with the Chinese New Year, staff greeted each other with a traditional "Gong Xi Fa Cai" – a respectful wish for prosperity in the New Year. We also enjoyed a Chinese banquet and joined in with a traditional lion dance.



Chief Executive's Review



Dan Liquorish, Debbie Hudson, Lynn Spencer and Caroline Bilson.

People

The theme of this year's annual report has been one of success. Success in the growth of registrations, our increasing relevance throughout the world and our achievements in modernising our systems and the way we communicate with stakeholders.

However, none of this could have been achieved without the commitment and dedication of our people. I am extremely proud of the performance of our team.

I am also proud that our commitment to our employees has continued to be recognised through the re-awarding of the Investment in People Standard in November 2011. This, along with our ISO 9001:2008 registered organisation status, shows that the achievement of best employment practices is at the heart of NEBOSH.

Over the past year we have provided funding for four of our employees to undertake their NEBOSH National Diploma in Occupational Health and Safety. So far one employee has successfully completed all units and has been promoted to become a Standards Officer. We are also looking forward to our Trainee Development Officer becoming qualified, and just like many other organisations, we are awaiting final results.

Other successes from 2011/12 include two employees gaining their NEBOSH National General Certificate qualification, one of whom was also recognised as 'Student of the Year' by her College. Our IT team have completed training in Business Analysis, Building Web Applications, SQL server packages and SharePoint systems. Investigative training was completed by the Management Team and Standards Officers and Driver Training was refreshed for employees and trustees who drive on company business. Training and development in Microsoft Office applications is on-going, with the aim of providing all employees with the skills they require to carry out their roles effectively.

Career development remains important within NEBOSH and there have been various promotions internally throughout the year.

Our continuing move to outsource our examinations processes led to the restructuring of our Operations Department. The team is now being led by Debbie Hudson in her new role as Assessment Delivery Manager. Caroline Bilson, who has been with NEBOSH for 22 years, was promoted to Deputy Assessment Delivery Manager, to deputise for Debbie when needed, with additional responsibilities for technical support and data management.

Two further Team Leaders were also appointed. Lynn Spencer moved from an administration role to become Team Leader for on-demand examinations, while Dan Liquorish, who is new to NEBOSH, was appointed as Team leader for standard date exams.

Former Operations Manager, Maureen Taylor, decided to stand down from her position in March in order to reduce her working hours. She has now joined the Standards Team as Quality Assurance Officer. In her 18 years with us Maureen has been a wonderful asset and a great representative of NEBOSH. We are delighted to retain her wealth of experience.

Many who work for NEBOSH have taken up additional roles within connected organisations, such as Ian Cooke and his involvement with Safety Groups UK and LOSHA. I too have not escaped this, having recently been appointed as Vice Chair of the Occupational Safety and Health Consultants Register (OSHCR). The OSHCR was introduced in October 2010, with NEBOSH having played a part in its development. The aim of the register is to help businesses identify health and safety consultants who have met certain standards within their professional bodies.



Anne Gibbs and Mike Weaver joined the NEBOSH Board of Trustees this year. Anne has 20 years' experience as a health and safety consultant, three years with RoSPA and 17 years with OSTAS Ltd. She has been a member of NEBOSH Council since October 2009.

Mike Weaver enjoyed 43 years of service in local government and was Director of Financial Services at Worcester County Council between 1997 and 2010. He has also served as President of the Chartered Institute of Public Finance and Accountancy (CIPFA) and President of the Society of County Treasurers.

Anne and Mike replaced Tony Cheesman, who stepped down, and Geoff Donnelly, who retired from the Board having served the maximum permitted term. Tony represented the Private Sector Course Providers following his appointment in 2007 and made a valuable contribution to the Board.

In his six years on the Board, Geoff was both Vice Chair and Chair of the audit committee and was instrumental in updating NEBOSH's governance. David Lewis succeeded Geoff as Vice Chair.

Ken James who has been on the NEBOSH Board since 2008, was reappointed this year.

Ken has considerable experience in international development, strategic planning and change management and his expertise and counsel has been highly valued.

Gill Tweedale-Sexton was also reappointed to the Board, representing Private Sector Course Providers.

I would like to end by praising the entire management team and staff at NEBOSH and by giving my personal thanks to our Chair, Sir Bill Callaghan and the Board of Trustees, all of whom give their time to support NEBOSH without any remuneration.

Collectively, we have achieved a great deal in 2011/12. I look forward to next year and the continuing pursuit of our vision – to preserve and improve health, safety and the environment in workplaces worldwide.

Teresa Budworth – Chief Executive



Newly-appointed Board members,
Anne Gibbs and Mike Weaver.

Report of the Trustees

The Trustees have pleasure in presenting their report and audited financial statements for the year ended 31 March 2012.

Legal Status and Constitution

The National Examination Board in Occupational Safety and Health (hereafter referred to as NEBOSH) is a company registered in England (no. 2698100) limited by guarantee and having no share capital.

NEBOSH is a registered charity (No. 1010444). As a charity, the company is exempt from corporation tax.

Chief Executive Officer

Mrs Teresa Budworth BSc (Hons) Dip IoD
MBA MIRM CFIOSH C.Dir

Secretary

Mr Peter Ryan BSc (Hons) FCCA

Registered Office

NEBOSH

Dominus Way
Meridian Business Park
Leicester LE19 1QW

Auditors

Baker Tilly UK Audit LLP

St Philips Point
Temple Row
Birmingham B2 5AF

Bankers

National Westminster Bank plc

5 The Parade
Oadby
Leicester LE2 5BB

Solicitors

Harvey Ingram LLP

20 New Walk
Leicester LE1 6TX

Trustees

The Trustees serving during the year and since the year end were as follows:

Sir Bill Callaghan BA (Oxon) MA
Chair

Mr Geoffrey Donnelly MA BSc (Hons) CDir
Vice Chair
Independent Trustee
Term of office ended 30 September 2011

Mr David Lewis MBA LL.B (Hons)
Vice Chair from 1 October 2011
Independent Trustee

Mr David Carrick Dip2OSH, CMIOSH
Representing Public Sector Course Providers
Appointed 3 August 2011

Mr Anthony Cheesman BSc (Hons)
PgDipOSH CMIOSH
Representing Private Sector Course Providers
Term of office ended 30 September 2011

Mr Andrew Cort MPhil BSc (Hons) MRINA
FIOD CEng
Independent Trustee

Mrs Anne Gibbs BA (Hons) CMIOSH
Representing Private Sector Course Providers
Appointed 1 October 2011

Mr Ken W James MA OBE
Independent Trustee
Reappointed 1 October 2011

Mr Bryan McCracken BEng (Hons) MA
Dip2OSH CMIOSH AIEMA
Representing Public Sector Course Providers
Resigned 30 April 2011

Mr Brian Nimick MSc
Independent Trustee

Mrs Gill Tweedale-Sexton CMIOSH
Dip2OSH MIIRSM
Representing Private Sector Course Providers
Reappointed 1 October 2011

Mr Mike Weaver MSc CPFA
Independent Trustee
Appointed 1 October 2011

Mr Colin Willis BA (Hons) Dip NEBOSH
Grad IOSH MifL
Representing Public Sector Course Providers



Sir Bill Callaghan



Mrs Teresa Budworth



Mr Peter Ryan



Mr David Lewis



Mr David Carrick



Mr Andrew Cort



Mrs Anne Gibbs



Mr Ken James



Mr Brian Nimick



Mrs Gill Tweedale-Sexton



Mr Mike Weaver



Mr Colin Willis



Shakeel Zahiruddin Mohammed, Nurul Asshekin Mustapha, Carolyn Achilles and Mark Chapman.

Structure, Governance and Management

Governing Document

NEBOSH, a company limited by guarantee, is governed by its Memorandum and Articles of Association dated 5 March 1992.

An amended version of the Memorandum of Association was adopted by Special Resolution passed at the Annual General Meeting, dated 4 September 2007.

An amended version of the Articles of Association was adopted by Special Resolution passed at the Annual General Meeting, dated 1 September 2010. NEBOSH is registered as a charity with the Charity Commission.

There were 24 registered members as at 31 March 2012 (2011: 24 members), each of whom has undertaken to contribute £1 in the event of NEBOSH being wound up.

Appointment of Trustees

The Trustees are elected by all the members at the Annual General Meeting; the members constitute an advisory committee known as NEBOSH Council.

The Chair of NEBOSH Council is appointed as a Trustee and serves as Chair of the Board of Trustees. The Chair is appointed for a term of three years and may be re-appointed for two further terms of three years before retiring from office.

Two Trustees are elected from NEBOSH Council to represent institutions of further education and two Trustees to represent private sector course providers. Each Trustee appointed on this basis serves a term of two years and may be re-appointed for two further terms before retiring from office.

On the recommendation of the Trustees, the Annual General Meeting may elect up to five other Trustees. Each Trustee is appointed for a term of three years, and may be re-appointed for one further term of three years before retiring from office.



Induction and Training of Trustees

A formal induction process exists for new Trustees. The programme includes familiarisation with the role of NEBOSH in health and safety competence, its charitable objects, structure and governance and the role and responsibilities of a charity trustee.

Additional briefings are arranged from time to time for both Trustees and other members of NEBOSH Council on key issues which may impact on the work of NEBOSH or their role.

Organisation

The affairs of NEBOSH are managed by the Trustees, who meet quarterly. They are guided by the NEBOSH Council on matters related to policy and direction of the charity.

The Trustees may delegate any of their powers to sub-committees. Sub-committees have been established to cover Audit, Nominations to the Board of Trustees, Remuneration, Investment and Strategy Review.

Technical aspects of the examination board's work are overseen by a Qualifications and Technical Council which includes in its membership Trustees, key stakeholders and those appointed for their expertise in health and safety, environmental management or assessment methodology.

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of NEBOSH. To facilitate effective operations, the Chief Executive Officer has delegated authority for all operational matters.

Third Party Indemnity Provision for Trustees

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charitable company

Risk Management

The Trustees are responsible for overseeing the establishment and implementation of a sound framework for management of risk by NEBOSH. The Trustees have a formal policy on the Management of Risk which is reviewed

annually. The significant risks to NEBOSH include those which threaten our reputation for integrity in the awarding of our qualifications, the political volatility of some of the regions where a high proportion of our candidates are based and the impact of economic uncertainty and recession on the uptake of health, safety and environmental qualifications.

Risk management is an inherent part of the strategy review process and is considered in the formulation of the annual business plan.

The major risks to which NEBOSH is exposed have been systematically reviewed and recorded in a risk register. The Trustees are confident that sufficient steps have been and are being taken to reduce and manage those risks.

The risk register is reviewed three times per year by the Audit Committee on behalf of the Trustees, and reviewed by all Trustees annually.

Corporate governance arrangements in place to minimise strategic risks are reviewed by our Internal Auditors biennially.



Olivia Lynch and Laura Daly.

Objectives and Activities

Objects

The objects of NEBOSH shall be the preservation of health by the promotion of high standards of health, safety and environmental protection at work in particular, but not exclusively, through study and competence in risk management.

In setting our objectives, aims and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance for charities whose aims include the advancement of education and the guidance for those charities that charge fees.

Aims

NEBOSH's aims are:

to encourage the provision, in collaboration with other organisations, of facilities for training and education of people throughout their careers in safety and health and environmental management;

to promote appropriate and uniform qualifications and standards of examinations in safety and health and environmental management as affected by work activities and seek to co-ordinate international standards;

to assist in the development of facilities to enable those intending to pursue careers which involve responsibilities for health and safety of those affected by work activities and environmental management to acquire appropriate qualifications;

to provide qualifications based on examinations or other systems of assessment to be used in association with their other requirements as a basis for membership of professional bodies concerned with safety and health of those affected by work activities; and environmental management and to provide other qualifications to meet the needs of employment and the requirements of safety and health and environmental management legislation;

to set and mark examinations or other systems of assessment leading to NEBOSH's qualifications, to authorise other organisations to set and mark examinations or other systems of assessment leading to NEBOSH's qualifications and to establish conditions for such authorisation;

to form where appropriate part of a national framework of vocational qualifications;

to issue evidence of NEBOSH's awards of qualifications to successful candidates;

and to establish syllabuses related to NEBOSH's qualifications.

Strategies for achieving NEBOSH's Objectives

NEBOSH achieves its objectives by:

publishing syllabuses for health and safety, environmental and related risk management qualifications;

accrediting course providers to run courses preparing candidates for assessment for NEBOSH qualifications;

setting and marking examinations;

issuing Unit Certificates and Qualification Parchments to candidates successful in assessment;

maintaining accreditation as an awarding body with the Scottish Qualifications Authority (SQA).

Achievements and Performance

Details of significant activities, achievements and performance for 2011/12 are provided in the Chief Executive's Report.

Financial Review

Total Income for the year 2011/12 increased to £5,669,931 from £4,608,663 in 2010/11. This represented **an increase of 23%** in the year. The increased income was achieved with only minor fee changes which generated around £11,000 additional income.



The increase in registrations of our International qualifications has contributed to the Income growth. There has been a slight reduction in the Income generated from UK examinations but the reduction has been less than expected.

There has also been an increase in the number of new NEBOSH course providers accredited for the first time and an increase in the number of qualifications offered by existing NEBOSH accredited course providers.

Investments also performed reasonably during a turbulent market. After taking into account investment gains, both realised and unrealised of £24,428 (2011: £77,789), at 31 March 2012 our reserves stood at £7,373,090 (2011: £6,141,526).

Investment Policy

The Trustees have the power to invest in such assets as they think fit.

The Trustees have given authority to hold cash with our bankers to meet up to two months' cash requirements, with any excess cash either deposited on a short-term arrangement for up to two months or transferred to the investment deposit fund.

The Trustees have considered the most appropriate policy for investing surplus funds and have found that a pooled fund of specialised unit trusts designed especially for the charity sector, meets their requirements for income and capital growth.

It is our aim in the long term that approximately 70% (with an agreed tolerance of +/- 10%) of surplus funds are invested in a balanced fund (which will be a mixture of equities, fixed interest and other investments) which offer medium to long term value and are appropriate for capital growth and sustainable income.

The other 30% (with an agreed tolerance of +/- 10%) is placed on short term deposit, again on a pooled basis through our investment managers, to earn a high rate of interest while providing immediate access.

AON has been appointed by the Trustees to conduct regular monitoring of the performance of our investment managers. Our strategy is reviewed on a regular basis. Furthermore, an Investment Committee has been established to advise the Trustees on the investment policy and make recommendations regarding the investment portfolio. A representative from the investment managers may be invited to a Board meeting as required.

Reserves Policy

The Trustees have a standing policy whereby the unrestricted funds not committed or invested in tangible assets (the free reserves) should be available to meet anticipated resources expended and provide funding to expand our range of qualifications.

The Trustees consider that in the light of plans to continue to develop charitable activities and manage risks reserves should equate to between no less than 9 months and no more than 18 months annual resources expended.

The Reserves Policy is reviewed annually in March. At 31 March 2012, the charity had £5,543,213 of free reserves which equates to fifteen months annual resources expended on current levels of expenditure. This level is considered appropriate at the present time due to planned project costs and the volatility of our investments.

In addition, NEBOSH operates solely in the field of education in health, safety and environmental management, which is sensitive to fluctuations in demand caused by political and economic factors. The Trustees have borne in mind that NEBOSH has no income or prospect of financial support other than that derived from its own fees and charges.

Trustees' Responsibilities

(in relation to these financial statements)

The Trustees, who are also directors of The National Examination Board in Occupational Safety and Health for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

select suitable accounting policies and then apply them consistently;

observe the methods and principles in the Charities SORP;

make judgments and estimates that are reasonable and prudent;

state whether applicable UK Accounting Standards have been followed, 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

there is no relevant audit information of which the charitable company's auditor is unaware;

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 auditor is aware of that information.

Donations

No charitable or political donations were made during the year (2011: £Nil).

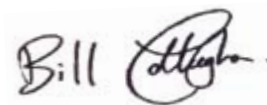
Policy on Payment of Creditors

It is the policy to abide by the terms of payment agreed with its suppliers, either their standard terms or special terms where agreed beforehand.

Auditors

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be proposed at the Annual General Meeting, to be held on 13 September 2012.

Signed on behalf of the Trustees:



Sir Bill Callaghan – Chair

27th July 2012

Independent Auditors' Report

To the Members of the National Examination Board in Occupational Safety and Health

We have audited the financial statements of National Examination Board in Occupational Safety and Health for the year ended 31 March 2012 on pages 33-43.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 31, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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: 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 charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

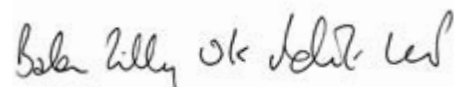
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of Trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.



Paul Oxtoby (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor, St Philips Point, Temple Row, Birmingham B2 5AF

27th July 2012

Statement of Financial Activities

(including Income and Expenditure Account)

For the year ended 31 March 2012

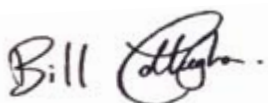
	Notes	Total Funds 2012 (£)	Total Funds 2011 (£)
Incoming resources			
Incoming resources from generated funds:			
Activities for generating funds		36,142	28,585
Investment income	2	94,904	65,463
		131,046	94,048
Incoming resources from charitable activities:			
Operations of Examination Board	3	5,538,885	4,514,615
Total incoming resources		5,669,931	4,608,663
Resources expended			
Costs of generating funds:			
Costs incurred by fund raising activities		24,650	30,820
Charitable activities:			
Operations of Examination Board	4(a)	4,348,295	4,137,530
Governance Costs	4(b)	89,850	98,578
Total resources expended		4,462,795	4,266,928
Net incoming resources before other recognised gains being net income for the year		1,207,136	341,735
Unrealised gains on investments	9	24,428	77,789
Net movement of funds in year		1,231,564	419,524
Reconciliation of funds			
Total funds brought forward		6,141,526	5,722,002
Total funds carried forward	15	7,373,090	6,141,526

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

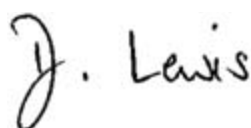
Balance Sheet 31 March 2012

	Notes	2012 (£)	2011 (£)
Fixed assets			
Tangible assets	8	1,829,877	1,904,537
Investments	9	5,334,712	4,018,386
		<u>7,164,589</u>	<u>5,922,923</u>
Current assets			
Stock	10	17,784	7,116
Debtors	11	729,491	495,282
Cash at bank and in hand	12	508,438	633,763
		1,255,713	1,136,161
Creditors			
Amounts falling due within one year	13	(1,047,212)	(917,558)
Net current assets			
		<u>208,501</u>	<u>218,603</u>
Total assets less current liabilities being net assets			
		7,373,090	6,141,526
Represented by:			
Funds			
Unrestricted:			
General	15	7,373,090	6,141,526
Total Funds			
		7,373,090	6,141,526

The Financial Statements on pages 33 to 34 were approved and authorised for issue by the Trustees on 27th July 2012 and were signed on their behalf by:



Bill Callaghan – Chair
of the Board of Trustees



David Lewis – Vice Chair
of the Board of Trustees

31 March 2012

	Notes	2012 (£)	2011 (£)
Net cash flow from operating activities	19a	1,150,328	371,733
Returns on investments and servicing of finance			
COIF investment income		93,870	65,011
Bank interest receivable		<u>1,034</u>	<u>452</u>
		94,904	65,463
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(87,158)	(120,108)
Sale of tangible fixed assets		8,500	5,300
Purchase of investments		<u>(1,291,898)</u>	<u>(61,878)</u>
		(1,370,556)	(176,686)
Management of liquid resources			
Withdrawal from short term deposits		100,000	–
(Decrease)/increase in cash in the year	19b	(25,325)	260,510
Reconciliation of net cash flow to movement in net funds		2012 (£)	2011 (£)
(Decrease)/increase in cash in the year		(25,325)	260,510
Cash inflow from decrease in liquid resources		(100,000)	–
Change in net funds resulting from cash flows being movement in net funds in the year		(125,325)	260,510
Net funds at 1 April		633,763	373,253
Net funds at 31 March		508,438	633,763

1 Accounting Policies

Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Activities for generating funds include sponsoring income for specified events and is recognised in the period in which the event is held.

Income from charitable activities includes fee income. Fee income represents fees receivable for the provision of examination and accreditation. Income receivable against certain examination schemes has been deferred where it relates to the provision of services not yet undertaken. The income received which does not relate to the current financial year is deferred to subsequent years.

Investment income is recognised on an accruals basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. The following specific policies are applied to particular categories of expenditure:

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in activities that raise funds.

Charitable activities include expenditure associated with the setting and marking of examination papers, accreditation of training course providers and publication of syllabuses, past papers and examiners' reports, and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with long term strategy and constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. staff costs by the time spent and other costs by their usage.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold land	Nil
Freehold buildings	2% on cost
Fixtures and fittings	10% / 25% on cost
Office equipment	10% / 25% on cost
Computer equipment	20% / 25% / 33% on cost
Motor vehicles	25% on cost

Stocks

Stocks which comprise printed and other materials are stated at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

Investments

Investments are stated at market value. Movements in the valuation of investments are included within gains and losses in investment assets in the Statement of Financial Activities. Long term investments are classified as fixed assets. Short term investments are classified as current assets.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against resources on a straight line basis over the lease term.

Pension costs

Contributions in respect of the pensions for staff are charged against resources arising for the year in which they are payable to the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Funds structure

All funds are unrestricted income funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Liquid resources

Liquid resources include sums on short term deposits with recognised banks.

2 Investment Income

	2012 (£)	2011 (£)
COIF investment income	93,870	65,011
Bank interest received	<u>1,034</u>	<u>452</u>
	<u>94,904</u>	<u>65,463</u>

3 Incoming Resources from Charitable Activities

The income was primarily from the operations of the examination board.

	2012 (£)	2011 (£)
Income from Assessments		
UK	2,357,063	2,244,959
Outside UK	<u>1,841,107</u>	<u>1,224,181</u>
	4,198,170	3,469,140
Income from Course Providers		
UK	727,472	632,827
Outside UK	<u>504,412</u>	<u>358,860</u>
	1,231,884	991,687
Income from Publications		
UK	42,807	45,154
Outside UK	<u>66,024</u>	<u>8,634</u>
	108,831	53,788
Total	<u>5,538,885</u>	<u>4,514,615</u>

Notes to Financial Statements

4a Operations of Examination Board

	Examinations £	Course Providers £	Publications £	Total 2012 (£)	Total 2011 (£)
Costs directly allocated to activities					
Staff costs	1,033,292	369,122	14,617	1,417,031	1,327,353
Direct examination board costs	831,492	270,488	2,772	1,104,752	1,154,897

	Examinations £	Course Providers £	Publications £	Total 2012 (£)	Total 2011 (£)
Support costs allocated to activities					
Staff costs	619,296	181,722	16,055	817,073	700,508
Premises costs	51,115	14,999	1,324	67,438	72,131
Office administration	147,097	43,163	3,813	194,073	176,779
Travel	31,100	9,126	806	41,032	38,410
Legal and professional	111,901	32,835	2,901	147,637	102,363
Marketing	106,166	31,153	2,751	140,070	172,460
Computing	203,331	59,664	5,271	268,266	261,257
Depreciation	114,390	33,566	2,967	150,923	131,372
Support costs total	<u>1,384,396</u>	<u>406,228</u>	<u>35,888</u>	<u>1,826,512</u>	<u>1,655,280</u>
Total	<u>3,249,180</u>	<u>1,045,838</u>	<u>53,277</u>	<u>4,348,295</u>	<u>4,137,530</u>

Support costs are allocated on a basis consistent with the use of resources.

4b Governance Costs

	2012 (£)	2011 (£)
Governance includes the following costs:		
Meeting expenses	17,573	19,366
Chief Executive's department	46,623	52,261
Audit, legal and other costs	25,654	26,951
	<u>89,850</u>	<u>98,578</u>

5 Net Incoming Resources is Stated After Charging (Crediting)

	2012 (£)	2011 (£)
Depreciation on owned assets	150,923	131,985
Loss/(surplus) on disposal of assets	2,395	(613)
Auditors' remuneration – for audit services	13,200	12,300
Operating lease rentals – plant and machinery	27,957	14,743
Trustee indemnity insurance	3,638	3,390

6 Employees

	2012 (£)	2011 (£)
Staff costs consists of:		
Wages and salaries	1,641,977	1,535,995
Principal examiners	4,875	6,500
Social security	172,760	170,124
Temporary staff	203,503	149,466
Pension costs	<u>119,246</u>	<u>109,287</u>
	<u>2,142,361</u>	<u>1,971,372</u>

The number of employees whose emoluments (salaries and benefits in kind) in excess of £60,000 for the year fell within the following bands:

	2012 (No.)	2011 (No.)
£60,000 to £69,999	2	1
£80,000 to £89,999	1	1

During the year the charity paid money purchase pension contributions in respect of the above higher paid individual amounting to £18,391 (2011: £12,651)

The average number of full time equivalent employees during the year was as follows:

	2012 (No.)	2011 (No.)
Governance, finance and office administration	17	18
Qualification development, assessment administration / logistics, setting, marking and accreditation	<u>37</u>	<u>34</u>
	<u>54</u>	<u>52</u>

Notes to Financial Statements

7 Trustees' Emoluments

The Trustees of NEBOSH received no remuneration for their services.

During the year, travel, accommodation and incidental expenses amounting to £8,361 were reimbursed to 11 Trustees (2011: £11,769 to 11 Trustees).

8 Tangible Fixed Assets

	Freehold land and buildings (£)	Fixtures and fittings (£)	Office equipment (£)	Computer equipment (£)	Motor vehicles (£)	Total (£)
Cost						
At 1 April 2011	1,678,450	161,869	103,767	328,525	132,601	2,405,212
Additions	–	8,000	1,056	43,517	34,585	87,158
Disposals	–	(5,443)	(1,692)	–	(15,531)	(22,666)
At 31 March 2012	<u>1,678,450</u>	<u>164,426</u>	<u>103,131</u>	<u>372,042</u>	<u>151,655</u>	<u>2,469,704</u>
Depreciation						
At 1 April 2011	143,508	70,177	60,632	189,142	37,216	500,675
Charge for year	30,212	16,660	14,386	54,550	35,115	150,923
Disposals	–	(2,767)	(915)	–	(8,089)	(11,771)
At 31 March 2012	<u>173,720</u>	<u>84,070</u>	<u>74,103</u>	<u>243,692</u>	<u>64,242</u>	<u>639,827</u>
Net book value						
At 31 March 2012	<u>1,504,730</u>	<u>80,356</u>	<u>29,028</u>	<u>128,350</u>	<u>87,413</u>	<u>1,829,877</u>
At 31 March 2011	<u>1,534,942</u>	<u>91,692</u>	<u>43,135</u>	<u>139,383</u>	<u>95,385</u>	<u>1,904,537</u>

9 Investments

	Market value at 01/04/11 (£)	Transfers in/deposits received (£)	Disposals at carrying value (£)	Net gain/(loss) on valuation (£)	Market value at 31/03/12 (£)
COIF deposit account	1,193,281	491,898	–	–	1,685,179
COIF income share account	1,474,603	300,000	–	(18,037)	1,756,566
COIF global equity account	–	500,000	–	(8,023)	491,977
COIF fixed interest fund	171,630	–	–	8,886	180,516
COIF property fund	49,074	–	–	(921)	48,153
COIF accumulation units fund	<u>1,129,798</u>	<u>–</u>	<u>–</u>	<u>42,523</u>	<u>1,172,321</u>
	<u>4,018,386</u>	<u>1,291,898</u>	<u>–</u>	<u>24,428</u>	<u>5,334,712</u>
			2012 (£)		2011 (£)
Historical cost			<u>4,984,500</u>		<u>3,692,603</u>

All of the above investments are held primarily to provide an investment return for the charity.

10 Stock

	2012 (£)	2011 (£)
Examination printed stock	15,291	4,992
General stationery	1,663	2,124
Publications	<u>830</u>	<u>–</u>
	<u>17,784</u>	<u>7,116</u>

11 Debtors

	2012 (£)	2011 (£)
Fees receivable	558,027	351,515
Prepayments and accrued income	<u>171,464</u>	<u>143,767</u>
	<u>729,491</u>	<u>495,282</u>

Notes to Financial Statements

12 Cash at Bank and in Hand

	2012 (£)	2011 (£)
Bank current and business reserve accounts	507,643	533,263
Short term deposits	–	100,000
Cash balance	<u>795</u>	<u>500</u>
	<u>508,438</u>	<u>633,763</u>

13 Creditors: Amounts Falling Due Within One Year

	2012 (£)	2011 (£)
Trade creditors	30,053	49,613
Taxation and social security	53,469	44,342
Other creditors	–	50,000
Accruals	376,569	377,815
Deferred income –		
Assessment fees and course provider fees received in advance	<u>587,121</u>	<u>395,788</u>
	<u>1,047,212</u>	<u>917,558</u>

Deferred income comprises assessment fees and course provider fees received in advance

	2012 (£)
Movement on deferred income:	
Deferred income brought forward	395,788
Released in year	(395,788)
Deferred in year	<u>587,121</u>
Deferred income carried forward	<u>587,121</u>

14 Pension Contributions

The charity contributes to a money purchase Group Personal Pension Scheme with Standard Life. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund.

	2012 (£)	2011 (£)
Contributions payable by the charity for the year	<u>119,246</u>	<u>109,287</u>

15 Reconciliation of Movement in Funds

	At 01/04/11 (£)	Incoming resources (£)	Outgoing resources (£)	Investment gains (£)	At 31/03/12 (£)
Unrestricted funds					
General fund	<u>6,141,526</u>	<u>5,669,931</u>	<u>(4,462,795)</u>	<u>24,428</u>	<u>7,373,090</u>

16 Financial Commitments

At 31 March 2012, the charity had annual commitments under non-cancellable operating leases as follows:

	2012 (£)	2011 (£)
Expiring within 2-5 years	<u>32,112</u>	<u>14,977</u>

17 Related Party Transactions

3 Trustees received £10,980 during the year in their capacity as examiners, (2011: 4 Trustees received £11,607 in their capacity as examiners).

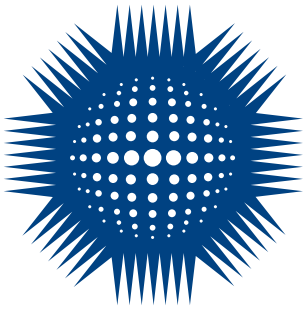
No other transactions with related parties were undertaken which are required to be disclosed under Financial Reporting Standard 8.

18 Capital Commitments

As at 31 March 2012, the charity had no contractual capital commitments (2011: £Nil).

19 Notes on the cash flow statement

a	2012 (£)	2011 (£)
Reconciliation of net incoming resources to net cash flow from operating activities		
Net incoming resources	<u>1,207,136</u>	<u>341,735</u>
Investment income	<u>(94,904)</u>	<u>(65,463)</u>
Net incoming resources before revaluation and investment income	<u>1,112,232</u>	<u>276,272</u>
Depreciation (note 8)	150,923	131,985
Loss/(surplus) on disposal of tangible fixed assets	2,395	(613)
(Increase)/decrease in stock	(10,668)	11,410
Increase in debtors	(234,208)	(250,296)
Increase in creditors	129,654	202,975
Net cash inflow from operating activities	<u>1,150,328</u>	<u>371,733</u>
b		
Analysis of changes in net funds	1 April 2011 (£)	Cash flows (£) 31 March 2012 (£)
Bank current and reserve accounts and cash in hand	533,763	(25,325) 508,438
Short term deposits	100,000	(100,000) –
Net movement in funds	<u>633,763</u>	<u>(125,325)</u> <u>508,438</u>



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