

Registered number: 2485626

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017  
FOR  
PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

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# **PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

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**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2017**

**DIRECTORS:**

S A King  
N C Coote

**SECRETARY:**

Lorraine Young Company Secretaries Limited

**REGISTERED OFFICE:**

The Old Church  
31 Rochester Road  
Aylesford  
Kent  
ME20 7PR

**REGISTERED NUMBER:**

2485626 (England and Wales)

**AUDITOR:**

Crowe Clark Whitehill LLP  
Chartered Accountants & Registered Auditors  
10 Palace Avenue  
Maidstone  
Kent  
ME15 6NF

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
**for year ended 31 March 2017**

**REPORT OF THE DIRECTORS**

The directors present their report with the audited financial statements of the Company for the year ended 31 March 2017.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company in the year under review continues to be that of providing general health and safety consultancy and training services to public and private sector clients. In addition, consultants provide expert witness reports in connection with criminal and legal cases, and some editorial content for safety publications.

**REVIEW OF BUSINESS**

Turnover decreased by around 5% with gross margins down to 59%. Higher staff salaries and the effects of pension auto-enrolment, combined with an inability to pass on our extra costs to clients were responsible for lower profits.

Most of the Company's revenue is obtained under a retainer service, with these client's often purchasing additional consultancy or training days.

During the year an agreement was made with the Company's largest client to transfer a consultant from the payroll onto the client's headcount. Although a compensatory payment was received, this has led to a net loss of recurring revenues.

The Company continues to be a net provider of resources to other members of the PHSC plc group with policy dictating that no cross-charges are applied to reflect this contribution.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
for year ended 31 March 2017

**REPORT OF THE DIRECTORS**

KEY PERFORMANCE INDICATORS	Notes	31.3.17 £	31.3.16 £
Earnings before interest, tax, depreciation and amortisation (EBITDA)		138,048	206,825
Add back: management charge from PHSC plc		87,600	80,300
	a	<u>225,648</u>	<u>286,940</u>
Turnover		666,885	703,274
Gross profit		394,384	445,413
Gross profit margin ( <i>gross profit / turnover</i> )	b	59%	63%
Trade debtors		99,485	122,468
Trade debtors excluding VAT		82,904	102,057
Debtor days ( <i>trade debtors excluding VAT / turnover x 365</i> )	c	45	53
Current assets		860,433	535,928
Less: amounts owed by group companies		<u>(3,546)</u>	<u>(4,865)</u>
		<u>856,887</u>	<u>531,063</u>
Current liabilities		229,381	95,731
Amounts owed to group companies		<u>(189,168)</u>	<u>(1,072)</u>
		<u>40,213</u>	<u>94,659</u>
Current ratio ( <i>current assets / current liabilities</i> ) ( <i>both excluding group balances</i> )	d	21.3	5.6
Staff statistics (excluding directors)	e		
Joiners during the year		1	2
Leavers during the year		2	-
Average length of service per staff member		9.5 years	9 years

Notes:

- (a) The key figure for profitability used by the directors and management team is EBITDA with the management charges from PHSC plc added back. This figure forms the basis of announcements of the consolidated group results to investors. EBITDA for the year ended 31 March 2017 fell by 21%.
- (b) The gross profit margin is tracked on a monthly basis as this reflects the core profitability of the company and illustrates the financial success of the services being provided by PHSCL. The 4% decrease in the gross profit margin was a product of turnover decreasing by 5% but cost of sales increasing by 6%. A consultant left in November 16 which will reduce future direct costs.
- (c) Debtor days shows how quickly sales are converted into cash; on average PHSCL waits approximately 1.5 months to be paid.
- (d) The current ratio is used to monitor the liquidity of PHSCL. The figure of 21.3 suggests that PHSCL can comfortably meet its short term obligations.
- (e) PHSCL had nine members of staff at the year end. A consultant transferred to the payroll of a client in November 2016 and the sales and marketing apprentice was replaced during the year.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
**for year ended 31 March 2017**

**REPORT OF THE DIRECTORS**

**DIVIDENDS**

A dividend of £100,000 (2016 – £100,000) was paid to the holding company, PHSC plc, during the year.

**DIRECTORS**

The directors during the year under review were:

S A King  
N C Coote

**INTERNAL CONTROLS**

The directors acknowledge their responsibilities for the Company's systems of internal control. The directors consider all major business and financial risks and resolve strategic decisions. Accepting that no system of control can provide absolute assurance against material misstatement or loss, the directors believe that the established systems for internal control within the Company are appropriate to the business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. As the Company is a 100% subsidiary of PHSC plc, it is appropriate to consider these in the context of the Group as a whole. Further discussion is provided in note 1 to the financial statements in the Group's annual report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing the financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GOING CONCERN**

The directors confirm that they consider the going concern basis to be appropriate. The Company can access support from its holding company, PHSC plc, that has considerable financial resources together with long-term agreements with a number of customers based in different geographic areas. As a consequence, the directors have a reasonable expectation that the Company, will be able to continue in operational existence for the foreseeable future.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
**for year ended 31 March 2017**

**REPORT OF THE DIRECTORS**

**PROVISION OF INFORMATION TO THE AUDITOR**

So far as each of the directors is aware at the time the report is approved;

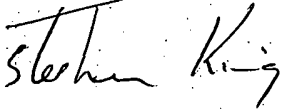
- there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**AUDITOR**

A resolution to re-appoint Crowe Clark Whitehill LLP as auditors to the company will be proposed at the next Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'S A King', is written over a horizontal line.

S A King - Director  
10 August 2017

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

We have audited the financial statements of Personnel Health & Safety Consultants Limited for the year ended 31 March 2017 which comprise the statement of financial position, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's shareholders, 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 company's shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the the directors' report.

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:

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Darren Rigden, Senior Statutory Auditor  
For and on behalf of **Crowe Clark Whitehill LLP** Statutory Auditor  
10 Palace Avenue  
Maidstone  
Kent  
ME15 6NF

10 August 2017



**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2017

	Note	31.3.17 £	31.3.16 £
<b>Revenue</b>	3	666,885	703,274
Cost of sales		<u>(272,501)</u>	<u>(257,861)</u>
<b>GROSS PROFIT</b>		394,384	445,413
Administrative expenses		(263,125)	(249,805)
Finance income		<u>60</u>	<u>185</u>
<b>PROFIT BEFORE TAX</b>	4	131,319	195,793
Income tax credit/(expense)	8	<u>56,638</u>	<u>(38,562)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		187,957	157,231
Other comprehensive income		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>187,957</u>	<u>157,231</u>
Attributable to equity holders		187,957	157,231

All amounts relate to continuing activities.

Accounting policies and notes on pages 11 to 19 form part of these financial statements

## PERSONNEL HEALTH &amp; SAFETY CONSULTANTS LIMITED

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2017

		31.3.17	31.3.16
	Note	£	£
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	6,139	332,938
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	107,951	131,289
Cash at cash equivalents		752,482	404,639
		<u>860,433</u>	<u>535,928</u>
<b>TOTAL ASSETS</b>		<b>866,572</b>	<b>868,866</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	229,381	54,727
Current corporation tax payable		-	41,005
		<u>229,381</u>	<u>95,732</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax	13	602	36,597
<b>TOTAL LIABILITIES</b>		<b>229,983</b>	<b>132,329</b>
<b>NET ASSETS</b>		<b><u>636,589</u></b>	<b><u>736,537</u></b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS</b>			
Called up share capital	14	1,000	1,000
Share premium		18	18
Revaluation reserve		-	187,905
Retained earnings		635,571	547,614
		<u>636,589</u>	<u>736,537</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board on 10 August 2017 and signed on its behalf by:



S A King - Director

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2017**

	Share Capital £	Share Premium £	Revaluation Reserve £	Retained Earnings £	Total £
<b>Balance at 1 April 2015</b>	1,000	18	189,720	488,568	679,306
Total comprehensive income	-	-	-	157,231	157,231
Dividend paid	-	-	-	(100,000)	(100,000)
Depreciation transfer	-	-	(1,815)	1,815	-
<b>Balance at 31 March 2016</b>	<u>1,000</u>	<u>18</u>	<u>187,905</u>	<u>547,614</u>	<u>736,537</u>
 <b>Balance at 1 April 2016</b>	 1,000	 18	 187,905	 547,614	 736,537
Total comprehensive income	-	-	-	187,957	187,957
Dividend paid	-	-	-	(100,000)	(100,000)
Transfer to PHSC plc	-	-	(187,905)	-	(187,905)
<b>Balance at 31 March 2017</b>	<u>1,000</u>	<u>18</u>	<u>-</u>	<u>635,571</u>	<u>636,589</u>

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2017

	Note	31.3.17 £	31.3.16 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	I	468,205	193,739
Tax paid		(20,362)	(46,711)
<b>Net cash generated from operating activities</b>		<u>447,843</u>	<u>147,028</u>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		-	(1,245)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(1,245)</u>
<b>Cash flows used by financing activities</b>			
Dividends paid to Group shareholders		(100,000)	(100,000)
<b>Net cash used by financing activities</b>		<u>(100,000)</u>	<u>(100,000)</u>
<b>Net increase in cash and cash equivalents</b>		347,843	45,783
Cash and cash equivalents at beginning of year		404,639	358,856
<b>Cash and cash equivalents at end of year</b>		<u>752,482</u>	<u>404,639</u>

**NOTES TO THE GROUP STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2017

	31.3.17 £	31.3.16 £
<b>I. CASH GENERATED FROM OPERATIONS</b>		
Operating profit	131,319	195,793
Depreciation charge	6,879	11,032
Loss on sale property, plant and equipment	12	-
Transfer of property to parent	132,003	-
Decrease/(increase) in trade and other receivables	23,338	(18,117)
Increase in trade and other payables	174,654	5,031
<b>Cash generated from operations</b>	<u>468,205</u>	<u>193,739</u>

## **PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2017**

#### **1. BASIS OF PREPARATION**

The company's financial statements have been prepared in accordance with IFRSs, as adopted by the European Union, International Financial Reporting Intermediate Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRSs. The financial statements have been prepared under the historical cost convention except as noted below.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 17.

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance which requires the reasons for this decision to be explained. The directors regard the going concern basis as remaining appropriate as the Company has adequate resources to continue in operational existence for the foreseeable future based upon forecasts. Further details are provided in the directors' report.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not been adopted by the European Union. Following an assessment by the directors, IFRS 15 concerning revenue recognition, is not expected to have an impact on the company's future financial statements. IFRS 16 may have an impact on the measurement and treatment of operating leases and the related disclosures but the figures concerned are not expected to be material.

## PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2017

#### 2. ACCOUNTING POLICIES

##### Revenue

Revenue which excludes value added tax, represents the amount receivable in respect of services provided to customers. Revenue from services is recognised as the services are provided. In respect of services invoiced in advance, amounts are deferred until provision of the service. Income derived from annual contracts is recognised at the point at which a fair value can be attributed to the various components of the contract. Where it is not possible to attribute a fair value, consideration is given to whether sums received are non-refundable.

##### Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

##### Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The directors regard the operations of the company as being one business segment. Further analysis of revenue is disclosed in note 3.

##### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the income statement.

##### Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of non-current assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2% straight line on cost
Improvements to property	10% straight line on cost
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

On transition to International Financial Reporting Standards (IFRS) the Company took advantage of the transitional arrangements in IAS 16 Property, Plant and Equipment to use the valuation on the date of transition as deemed costs and will not revalue the property in future periods. The revaluation reserve on transition has been separately disclosed as this is a non-distributable reserve.

##### Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at the profit before income tax.

##### Financial instruments

Provision is made for diminution in value where appropriate. Trade payables are recognised at initially fair value and subsequently measured at amortised cost.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2017

**3. REVENUE**

The revenue of the Company during the year was generated in the United Kingdom and the revenue of the company for the year derives from the same class of business as noted in the directors' report.

**4. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:	31.3.17	31.3.16
	£	£
Depreciation – owned assets	6,879	11,032
Operating lease charges – motor vehicles	<u>3,008</u>	<u>3,504</u>

**5. DIRECTORS' REMUNERATION**

	31.3.17	31.3.16
	£	£
Directors' emoluments and other benefits	-	-
Pension contributions	<u>4,406</u>	<u>4,864</u>
	<u>4,406</u>	<u>4,864</u>

**6. STAFF COSTS**

The average monthly number of employees during the year was as follows:

Directors	2	2
Consultants	7	7
Administration	<u>3</u>	<u>3</u>
	<u>12</u>	<u>12</u>

The aggregate payroll costs of these persons were as follows:

	31.3.17	31.3.16
	£	£
Wages and salaries	260,021	234,571
Social security costs	24,553	21,500
Other pension costs	<u>10,347</u>	<u>9,088</u>
	<u>294,921</u>	<u>265,159</u>

The directors are considered to be key management personnel of the Company.

**7. AUDITOR'S REMUNERATION**

During the year the Company obtained the following services from the Company's auditors as detailed below:

	31.3.17	31.3.16
	£	£
Audit of the company's annual financial statements	<u>3,600</u>	<u>3,600</u>

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2017**

**8. INCOME AND DEFERRED TAX CHARGES**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.17	31.3.16
	£	£
Current tax:		
UK corporation tax at 20% (2016 – 20%)	-	41,004
Corporation tax (over)/under provision in respect of prior years	(20,643)	48
Total current tax	<u>(20,643)</u>	<u>41,052</u>
Deferred tax:		
Origination and reversal of timing differences	(35,995)	(492)
Adjustment in respect of prior periods	-	(44)
Effect of change in rate	-	(1,954)
Total tax charge for the year	<u>(56,638)</u>	<u>38,562</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower (2016 – lower) than the standard rate of corporation tax in the UK.

The difference is explained below:

	31.3.16	31.3.15
	£	£
Profit on ordinary activities before tax	<u>131,319</u>	<u>195,793</u>
Profit on ordinary activities multiplied by the lower rate of corporation tax in the UK of 20% (2016: 20%)	26,264	39,159
Effects of:		
Depreciation in excess of capital allowances claimed	964	31
Expenses not deductible for tax purposes	18	1,297
Other permanent differences	-	(1,927)
Adjust deferred tax to standard CT rate of 20%	1,894	2
Group losses	(27,556)	-
Adjustment to tax charge in respect of previous periods	(20,641)	-
Transfer of deferred tax on revalued property	(37,581)	-
Total tax charge for the year	<u>(56,638)</u>	<u>38,562</u>



**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2017**

**9. TANGIBLE FIXED ASSETS**

	Freehold Property £	Improvements to Property £	Fixtures and Equipment £	Motor Vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 April 2016	415,000	3,434	63,727	12,467	494,628
Additions	-	-	-	-	-
Disposals	(415,000)	-	(335)	-	(415,335)
At 31 March 2017	-	3,434	63,392	12,467	79,293
<b>DEPRECIATION</b>					
At 1 April 2016	90,262	3,432	55,825	12,171	161,690
Charge for the year	4,830	-	1,975	74	6,879
Disposals	(95,092)	-	(323)	-	(95,415)
At 31 March 2017	-	3,432	57,477	12,245	73,154
<b>NET BOOK VALUE</b>					
At 31 March 2017	-	2	5,915	222	6,139
At 31 March 2016	324,738	2	7,902	296	332,938

On transition to International Financial Reporting Standards (IFRS) the Company took advantage of the transitional arrangements in IAS 16 Property, Plant and Equipment to use the valuation on the date of transition as deemed costs and has not revalued the property since. The revaluation reserve on transition has been separately disclosed as this is a non-distributable reserve. During the year the property was transferred to the parent company at its net book value.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2017**

**10. TRADE AND OTHER RECEIVABLES**

	31.3.17	31.3.16
	£	£
Trade receivables	99,485	122,468
Amount owed by group undertakings	3,546	4,865
Other receivables, prepayments and accrued income	4,920	3,956
	<u>107,951</u>	<u>131,289</u>

The recoverability of receivables is not considered to be a significant issue to the company. Many customers have a long standing relationship with PHSC Limited. A clearly defined procedure for credit control is in place and the level and age of debtors are reviewed on a regular basis by both the company directors and by the board of PHSC plc.

Some of the trade receivables are past due but not impaired as at 31 March 2017. The ageing analysis of these trade receivables is as follows:

	31.3.17	31.3.16
	£	£
Current	54,071	71,154
One month overdue	38,508	40,254
Two to six months overdue	6,906	11,060
Over six months overdue	-	-
	<u>99,485</u>	<u>122,468</u>

There were £3,102 (2016 – nil) trade receivables past due and impaired as at 31 March 2017. Full provision has been made against the two debts concerned, but recovery action through the courts is ongoing. The receivables due at the end of the financial year relate to trading customers.

**11. TRADE AND OTHER PAYABLES**

	31.3.17	31.3.16
	£	£
Trade payables	5,983	5,805
Amount due to ultimate holding company	188,713	-
Amount owed to group undertakings	455	1,072
Social security and other taxes	24,104	34,560
Other payables	5,264	8,506
Accruals and deferred income	4,862	4,784
	<u>229,381</u>	<u>54,727</u>

On 1 October 2008, the Company and the PHSC plc Group entered into an unlimited multilateral guarantee with HSBC plc. This facility is reviewed annually. The Company's balance as at 31 March 2017 was £752,482 (2016: £404,639) within the Group's cash at bank and in hand figure of £206,718 (2016: £256,558).

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2017**

**12. OPERATING LEASE COMMITMENTS**

The Company had aggregate annual commitments under non-cancellable operating leases as follows:	31.3.17	31.3.16
	£	£
Expiring		
Within one year – motor vehicles	2,700	535
Between two to five years – motor vehicles	-	3,481
	<u>2,700</u>	<u>4,016</u>

**13. DEFERRED TAXATION**

	31.3.17	31.3.16
	£	£
Deferred taxation	<u>602</u>	<u>36,597</u>
	Deferred	Deferred
	tax	tax
	£	£
At 1 April 2016	36,597	39,087
Deferred tax charge in year (see note 8)	<u>(35,995)</u>	<u>(2,490)</u>
At 31 March 2017	<u>602</u>	<u>36,597</u>

**14. SHARE CAPITAL**

Allotted, issued and fully paid	31.3.17	31.3.16
	£	£
10,000 ordinary shares – nominal value £0.10	<u>1,000</u>	<u>1,000</u>

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2017**

**15. RELATED PARTY DISCLOSURES**

A management charge is levied by PHSC plc to its subsidiary companies to reflect the central services it provides.

	31.3.17	31.3.16
	£	£
Management charge from PHSC plc to PHSC Limited	<u>87,600</u>	<u>80,300</u>

The inter-company balances between PHSC Limited and the other companies within the PHSC plc group are summarised below.

	31.3.17	31.3.16
	£	£
<b>Amounts owed by group undertakings</b>		
PHSC plc	-	1,087
QCS International Limited	-	106
Safetymark Certification Services Limited	72	72
RSA Environmental Health Limited	588	1,969
Inspection Services Limited	2,811	1,631
B to B Links Limited	75	-
	<u>3,546</u>	<u>4,865</u>

<b>Amounts owed to group undertakings</b>		
PHSC plc	188,713	-
Adamson's Laboratory Services Limited	58	-
Quality Leisure Management Limited	397	1,072
	<u>189,168</u>	<u>1,072</u>

**16. FINANCIAL INSTRUMENTS**

Set out below are the company's financial instruments:

	31.3.17	31.3.16
	£	£
<b>Financial assets at amortised cost</b>		
Trade and other receivables	107,951	131,289
Cash and cash equivalents	752,482	404,639
	<u>860,433</u>	<u>535,928</u>

<b>Financial liabilities at amortised cost</b>		
Trade and other payables	229,281	54,727
	<u>229,281</u>	<u>54,727</u>
Due within 1 year	229,281	54,727
Due in over 1 year	-	-
	<u>229,281</u>	<u>54,727</u>

## PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS – continued for the year ended 31 March 2017

#### FINANCIAL INSTRUMENTS continued

The Company's principal financial instruments comprise cash, short terms borrowings and various items such as trade receivables, trade payables etc. that arise directly from operations. The main purpose of these financial instruments is the funding of the company's trading activities.

The main risks arising from the company's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous periods.

The source currency of the assets and liabilities of the company are held in sterling and all transactions are in sterling. The company is not therefore exposed to currency risk.

#### **Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available from current banking facilities to meet foreseeable needs and to invest cash assets safely and profitably.

#### **Credit risk**

The Company's principal financial assets are cash and trade receivables. The credit risk associated with the cash is limited and the risk of non-payment through credit sales is monitored very closely by the directors.

#### **Fair values**

The fair values of the company's financial instruments are considered not to be materially different to their book value.

#### 17. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

- Property, plant and equipment: the directors annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 4 years, based on experience.
- Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

#### 18. PARENT UNDERTAKING

PHSC plc, incorporated in the UK, is the ultimate parent company of the group. There is no ultimate controlling party but Ms N C Coote, deputy group chief executive, owns 21.42% (2016: Mr S A King, 24.68%) of the issued share capital of PHSC plc. The parent company operates within the UK and its accounts may be obtained from the same registered office address as noted on page 1 of these accounts.