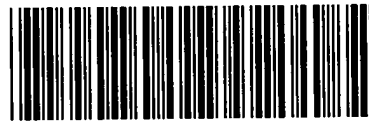


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
FOR
PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

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PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

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for the year ended 31 March 2015**

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PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2015

DIRECTORS:

S A King
N C Coote

SECRETARY:

L E Young

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 2015

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the Company for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the year under review were that of the provision of consultancy services and training in respect of health and safety, together with the sale of associated products.

REVIEW OF BUSINESS

Revenues were fractionally higher at £753,826, meaning that turnover increased by just over £4,000 in the year. Much of the income arises from long-term contracts that generate recurring revenues, with this core income supplemented by a number of one-off projects ranging from assignments of one day's duration through to more complex projects.

A part-time member of the fee-earning staff retired during the year and was not replaced. Another employee reduced his working week in preparation for retirement. Some of the work previous carried out by these two employees was outsourced and some was undertaken by remaining staff. This contributed to higher profits, as did a reduced management charge from parent company PHSC plc. The reduction was a consequence of larger contributions to the parent company from its other subsidiaries.

Parent company PHSC plc has a policy of subsidiaries not cross-charging for work carried out on behalf of sister companies. Personnel Health & Safety Consultants Limited is the largest net provider of consultancy and training services to clients of other members of the PHSC plc group.

The Company was assessed for continued accreditation to three schemes; Investors in People, Constructionline, and ISO 9001 Quality Systems. All three assessments led to renewal of the Company's approved status.

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED
for year ended 31 March 2015

REPORT OF THE DIRECTORS

KEY PERFORMANCE INDICATORS	Notes	31.3.15 £	31.3.14 £
Earnings before interest, tax, depreciation and amortisation (EBITDA)		227,879	158,581
Add back: management charge from PHSC plc		115,800	180,000
	a	<u>343,679</u>	<u>338,581</u>
Turnover		753,826	749,458
Gross profit		501,827	483,354
Gross profit margin	b	67%	64%
Trade debtors		106,477	102,835
Trade debtors excluding VAT		88,731	85,696
Debtor days	c	43	42
Current assets		472,028	385,780
Less: amounts owed by group companies		<u>(3,366)</u>	<u>(10,014)</u>
		<u>468,662</u>	<u>375,766</u>
Current liabilities		96,360	86,384
Amounts owed to group companies		<u>(1,116)</u>	<u>(2,571)</u>
		<u>95,244</u>	<u>83,813</u>
Current ratio	d	4.9	4.5
Staff statistics (excluding directors)	e		
Joiners during the year		-	-
Leavers during the year		1	1
Average length of service per staff member		10	9

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.
- (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 PHSC Limited. The 3% increase in the gross profit margin resulted from a member of staff who retired in December 2014 not being replaced; the workload was absorbed by other staff members.
- (c) Debtor days shows how quickly sales are converted into cash; on average PHSC Limited waits a little over a month to be paid.
- (d) The current ratio is used to monitor the liquidity of PHSC Limited. The figure of 4.9 suggests that PHSC Limited can comfortably meet its short term obligations.
- (e) PHSC Limited had eight members of staff at the year end. One consultant retired during the year and was not replaced.

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED
for year ended 31 March 2015

REPORT OF THE DIRECTORS

DIVIDENDS

A dividend of £100,000 (2014 – £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 2015

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:



S King - Director
31 July 2015

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 which comprise the income statement, statement of financial position, statement of comprehensive income, statement of cashflows and related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial reporting Standards (IFRS) 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 auditors' 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 preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 2015 and of the profit for the year then ended;
- have been properly prepared in accordance with IFRS 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 the information given in the Directors' Report 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:

- Adequate accounting records have not been kept, or returns 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.

Crowe Clark Whitehill LLP

Darren Rigden (senior statutory auditor)

for and on behalf of

CROWE CLARK WHITEHILL LLP

Statutory Auditors

10 Palace Avenue, Maidstone, Kent ME15 6NF

31 July 2015

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015**

	Note	31.3.15 £	31.3.14 £
Revenue	3	753,826	749,458
Cost of sales		<u>(251,999)</u>	<u>(266,104)</u>
GROSS PROFIT		501,827	483,354
Administrative expenses		<u>(285,660)</u>	<u>(335,791)</u>
PROFIT BEFORE TAX	4	216,167	147,563
Income tax expense	8	<u>(44,833)</u>	<u>(31,855)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>171,334</u>	<u>115,708</u>
Attributable to equity holders		171,334	115,708

All amounts relate to continuing activities.

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

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 March 2015

	Note	31.3.15 £	31.3.14 £
NON-CURRENT ASSETS			
Property, plant and equipment	9	342,725	349,494
CURRENT ASSETS			
Trade and other receivables	10	113,172	130,202
Cash at cash equivalents		358,856	255,578
		<u>472,028</u>	<u>385,780</u>
TOTAL ASSETS		814,753	735,274
CURRENT LIABILITIES			
Trade and other payables	11	49,696	50,748
Current corporation tax payable		46,664	35,636
		<u>96,360</u>	<u>86,384</u>
NON-CURRENT LIABILITIES			
Deferred tax	13	39,087	40,918
TOTAL LIABILITIES		135,447	127,302
NET ASSETS		<u>679,306</u>	<u>607,972</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS			
Called up share capital	14	1,000	1,000
Share premium		18	18
Revaluation reserve		189,720	191,535
Retained earnings		488,568	415,419
		<u>679,306</u>	<u>607,972</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 31 July 2015 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 2015**

	Share Capital £	Share Premium £	Revaluation Reserve £	Retained Earnings £	Total £
Balance at 1 April 2013	1,000	18	193,350	397,896	592,264
Profit for year attributable to equity holders	-	-	-	115,708	115,708
Dividend paid	-	-	-	(100,000)	(100,000)
Depreciation transfer	-	-	(1,815)	1,815	-
Balance at 31 March 2014	<u>1,000</u>	<u>18</u>	<u>191,535</u>	<u>415,419</u>	<u>607,972</u>
 Balance at 1 April 2014	 1,000	 18	 191,535	 415,419	 607,972
Profit for year attributable to equity holders	-	-	-	171,334	171,334
Dividend paid	-	-	-	(100,000)	(100,000)
Depreciation transfer	-	-	(1,815)	1,815	-
Balance at 31 March 2015	<u>1,000</u>	<u>18</u>	<u>189,720</u>	<u>488,568</u>	<u>679,306</u>

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

STATEMENT OF CASH FLOWS
for the year ended 31 March 2015

	Note	31.3.15 £	31.3.14 £
Cash flows from operating activities:			
Cash generated from operations	I	244,409	164,944
Tax paid		(35,636)	(31,038)
Net cash generated from operating activities		<u>208,773</u>	<u>133,906</u>
Cash flows used in investing activities			
Purchase of property, plant and equipment		(5,495)	(1,991)
Net cash used in investing activities		<u>(5,495)</u>	<u>(1,991)</u>
Cash flows used by financing activities			
Dividends paid to Group shareholders		(100,000)	(100,000)
Net cash used by financing activities		<u>(100,000)</u>	<u>(100,000)</u>
Net increase in cash and cash equivalents		103,278	31,915
Cash and cash equivalents at beginning of year		255,578	223,663
Cash and cash equivalents at end of year		<u>358,856</u>	<u>255,578</u>

NOTES TO THE GROUP STATEMENT OF CASH FLOWS
for the year ended 31 March 2015

	31.3.15 £	31.3.14 £
I. CASH GENERATED FROM OPERATIONS		
Operating profit	216,167	147,563
Depreciation charge	11,712	11,018
Loss on sale property, plant and equipment	552	-
Decrease in trade and other receivables	17,030	7,094
Decrease in trade and other payables	(1,052)	(731)
Cash generated from operations	<u>244,409</u>	<u>164,944</u>

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

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 19.

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.

At the date of authorisation of these financial statements, the directors have considered the Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU) and only IFRS 15 "Revenue from Contracts with Customers" was considered to be relevant. It is not clear whether the application of IFRS 15 once effective will have a material impact on the results of the Company. Adoption of the other Standards and Interpretations listed above is not expected to have a material impact on the results of the Company. Application of these standards may result in some changes in presentation of information within the Company's financial statements.

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

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.

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2015

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:

	31.3.15	31.3.14
	£	£
Depreciation – owned assets	11,712	11,018
Operating lease charges – motor vehicles	<u>4,971</u>	<u>11,117</u>

5. DIRECTORS' REMUNERATION

	31.3.15	31.3.14
	£	£
Directors' emoluments and other benefits	3,320	2,834
Pension contributions	<u>-</u>	<u>-</u>
	<u>3,320</u>	<u>2,834</u>

6. STAFF COSTS

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

Directors	2	2
Consultants	4	5
Administration	<u>2</u>	<u>2</u>
	<u>8</u>	<u>9</u>

The aggregate payroll costs of these persons were as follows:

	31.3.15	31.3.14
	£	£
Wages and salaries	225,215	249,288
Social security costs	21,564	24,353
Other pension costs	<u>3,306</u>	<u>4,379</u>
	<u>250,085</u>	<u>278,020</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:

	31.3.15	31.3.14
	£	£
Audit of the company's annual financial statements	<u>3,900</u>	<u>2,400</u>

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2015**

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:

	31.3.15	31.3.14
	£	£
Current tax:		
UK corporation tax at 21% (2014 – 23%)	46,664	35,636
Corporation tax (over)/under provision in respect of prior years	-	(228)
Total current tax	<u>46,664</u>	<u>35,408</u>
Deferred tax:		
Origination and reversal of timing differences	118	(312)
Adjustment in respect of prior periods	-	626
Effect of change in rate	(1,949)	(3,867)
Tax on profit on ordinary activities	<u>44,833</u>	<u>31,855</u>

Factors affecting the tax charge

The tax assessed for the year is higher (2014 – higher) than the standard rate of corporation tax in the UK.

The difference is explained below:

	31.3.15	31.3.14
	£	£
Profit on ordinary activities before tax	<u>216,167</u>	<u>147,563</u>
Profit on ordinary activities multiplied by the lower rate of corporation tax in the UK of 21% (2014: 23%)	45,395	33,939
Effects of:		
Depreciation in excess of capital allowances claimed	(505)	-
Expenses not deductible for tax purposes	1,774	100
Other permanent differences	-	1,833
Marginal relief	-	(236)
Adjustment to tax charge in respect of previous periods	-	(228)
Total current tax	<u>46,664</u>	<u>35,408</u>

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2015**

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to Property £	Fixtures and Equipment £	Motor Vehicles £	Totals £
COST OR VALUATION					
At 1 April 2014	415,000	3,434	69,494	12,467	500,395
Additions	-	-	5,495	-	5,495
Disposals	-	-	(12,507)	-	(12,507)
At 31 March 2015	415,000	3,434	62,482	12,467	493,383
DEPRECIATION					
At 1 April 2014	73,662	3,432	61,866	11,941	150,901
Charge for the year	8,300	-	3,280	132	11,712
Disposals	-	-	(11,955)	-	(11,955)
At 31 March 2015	81,962	3,432	53,191	12,073	150,658
NET BOOK VALUE					
At 31 March 2015	333,038	2	9,291	394	342,725
At 31 March 2014	341,338	2	7,628	526	349,494

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.

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2015**

10. TRADE AND OTHER RECEIVABLES

	31.3.15	31.3.14
	£	£
Trade receivables	106,477	102,835
Amount owed by group undertakings	3,366	10,014
Other receivables, prepayments and accrued income	3,329	17,353
	<u>113,172</u>	<u>130,202</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 2015. The ageing analysis of these trade receivables is as follows:

	31.3.15	31.3.14
	£	£
Current	53,318	59,095
One month overdue	45,190	42,475
Two to six months overdue	7,969	1,265
Over six months overdue	-	-
	<u>106,477</u>	<u>102,835</u>

There were £720 (2014 – nil) trade receivables past due and impaired as at 31 March 2015. The receivables due at the end of the financial year relate to trading customers.

11. TRADE AND OTHER PAYABLES

	31.3.15	31.3.14
	£	£
Trade payables	5,635	6,366
Amount due to ultimate holding company	337	-
Amount owed to group undertakings	779	2,571
Social security and other taxes	32,510	29,289
Other payables	5,475	5,282
Accruals and deferred income	4,960	7,240
	<u>49,696</u>	<u>50,748</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 2015 was £358,856 (2014: £255,578) within the Group's cash at bank and in hand figure of £508,113 (2014: £712,397).

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2015**

12. OPERATING LEASE COMMITMENTS

The Company had aggregate annual commitments under non-cancellable operating leases as follows:	31.3.15	31.3.14
Expiring	£	£
Within one year – motor vehicles	2,946	6,498
Between two to five years – motor vehicles	5,646	1,607
	<u>8,592</u>	<u>8,105</u>

13. DEFERRED TAXATION

	31.3.15	31.3.14
	£	£
Deferred taxation on property revaluation	<u>39,087</u>	<u>40,918</u>
	Deferred tax	Deferred tax
	£	£
At 1 April 2014	40,918	44,471
Deferred tax charge in year (see note 8)	<u>(1,831)</u>	<u>(3,553)</u>
At 31 March 2015	<u>39,087</u>	<u>40,918</u>

14. SHARE CAPITAL

Allotted, issued and fully paid	31.3.15	31.3.14
	£	£
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 2015

15. RELATED PARTY DISCLOSURES

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

	31.3.15	31.3.14
	£	£
Management charge from PHSC plc to PHSC Limited	<u>115,800</u>	<u>180,000</u>

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

	31.3.15	31.3.14
	£	£
Amounts owed by group undertakings		
Safetymark Certification Services Limited	72	72
RSA Environmental Health Limited	-	1,160
Adamson's Laboratory Services Limited	291	2,209
Inspection Services Limited	984	-
Quality Leisure Management Limited	1,624	3,994
B to B Links Limited	<u>395</u>	<u>2,579</u>
	<u>3,366</u>	<u>10,014</u>

Amounts owed to group undertakings

PHSC plc	337	1,066
RSA Environmental Services Limited	779	-
Inspection Services Limited	-	1,505
	<u>1,116</u>	<u>2,571</u>

16. FINANCIAL INSTRUMENTS

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.

PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2015**

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 Mr S A King, Group Chief Executive, owns 25.25% (2014 – 25.25%) 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.