

Registered number: 2485626

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

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# **PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

## **CONTENTS OF THE FINANCIAL STATEMENTS for the year ended 31 March 2022**

	<b>Page</b>
Company Information	1
Report of the Directors	2
Report of the Independent Auditor	6
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity for the Year	11
Statement of Cashflows	12
Notes to the Financial Statements	13
Trading and Profit and Loss Account	20

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2022**

**DIRECTORS:**

S A King  
N C Coote

**SECRETARY:**

SGH Company Secretaries Limited

**REGISTERED OFFICE:**

The Old Church  
31 Rochester Road  
Aylesford  
Kent  
ME20 7PR

**REGISTERED NUMBER:**

2485626 (England and Wales)

**AUDITOR:**

Crowe U.K. LLP  
Chartered Accountants & Registered Auditors  
Riverside House  
40-46 High Street  
Maidstone  
Kent  
ME14 1JH

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
**for year ended 31 March 2022**

**REPORT OF THE DIRECTORS**

The directors present their report with the audited financial statements of the Company for the year ended 31 March 2022.

**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 exceeded £1m for the first time in several years. This was a result of a one-off contract with an invoice value of over £400k for supporting clients in the provision of COVID-19 testing services. The work was carried out by external medical specialists and generated a 5% premium for PHSCL. The profit (before management charge and tax) of £351,016 was lower than the previous year and reflected an increased use of subcontractors. The team worked incredibly hard for the first three quarters of the year, but staff utilisation was lower in Q4 for a number of different reasons that have subsequently been addressed and rectified by management. The business is focussing on acquiring an online management system to support clients in monitoring their compliance status, particularly those with multiple sites. This should support the sales and marketing functions who will be able to pitch for larger contracts where an online offering is increasingly becoming a prerequisite of the tender process.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
for year ended 31 March 2022

**REPORT OF THE DIRECTORS**

KEY PERFORMANCE INDICATORS	Notes	31.3.22 £	31.3.21 £
Earnings before interest, tax, depreciation and amortisation (EBITDA)		292,341	469,741
Add back: management charge from PHSC plc		60,000	30,000
	a	<u>352,341</u>	<u>499,741</u>
Turnover		1,283,090	968,941
Gross profit		557,491	610,293
<b>Gross profit margin</b> ( <i>gross profit / turnover</i> )	b	<b>43%</b>	<b>63%</b>
Trade debtors		202,457	178,564
Trade debtors excluding VAT		168,714	148,803
<b>Debtor days</b> ( <i>trade debtors excluding VAT / turnover x 365</i> )	c	<b>48</b>	<b>56</b>
Current assets		633,237	374,482
Less: amounts owed by group companies		<u>(7,713)</u>	<u>(2,253)</u>
		<u>625,524</u>	<u>372,229</u>
Current liabilities		585,194	216,255
Amounts owed to group companies		<u>(422,952)</u>	<u>(57,190)</u>
		<u>162,242</u>	<u>159,065</u>
<b>Current ratio</b> ( <i>current assets / current liabilities</i> ) ( <i>both excluding group balances</i> )	d	<b>3.9</b>	<b>2.3</b>
<b>Staff statistics (excluding directors)</b>	e		
Joiners during the year		2	2
Leavers during the year		-1	1
Average length of service per staff member		10 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. With other income excluded from EBITDA (to reflect the cessation of the COVID-19 government support during 2021/22), a 32% drop has been recorded.
- (b) The gross profit margin (GPM) is tracked monthly as this reflects the core profitability of the Company and illustrates the financial success of the services being provided by PHSCL. The GPM has been affected by a significant amount of work (£84,319 in 2020/21 and £445,775 in 2021/22) being invoiced to a client for which the service of a subcontractor was purchased for the same amount. A commission is separately invoiced by PHSCL. If this matching sale and cost of sale is excluded from the gross profit margin calculation, a 67% margin is recorded, (compared to 69% in the previous year).
- (c) Debtor days shows how quickly sales are converted into cash; on average PHSCL waits just over a month to be paid.
- (d) The current ratio is used to monitor the liquidity of PHSCL. The figure of 3.9 suggests that PHSCL can comfortably meet its short-term obligations. Last year's ratio was affected by a £475k dividend being paid to the holding company
- (e) In November 2021 an additional consultant was recruited to help shoulder the workload. A full-time administrator left due to a family bereavement and a replacement was recruited.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
**for year ended 31 March 2022**

**REPORT OF THE DIRECTORS**

**DIVIDENDS**

A dividend of £350,000 (2021 - £475,000) 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 several 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 that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

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 or 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.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**  
**for year ended 31 March 2022**

**REPORT OF THE DIRECTORS**

**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.

**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**

Crowe U.K. LLP has indicated its willingness to be re-appointed as statutory auditor.

**ON BEHALF OF THE BOARD:**



S A King – Director  
1 November 2022

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

### **Opinion**

We have audited the financial statements of PHSC (the Company) for the year ended 31 March 2022, which comprise:

- the statement of comprehensive income for the year ended 31 March 2022;
- the statement of financial position as 31 March 2022;
- the statements of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



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

We have nothing to report in this regard.

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

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

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

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

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

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation

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

and data protection.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 17 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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.

*Crowe U.K. LLP*

Mark Anderson  
Senior Statutory Auditor  
For and on behalf of

**Crowe U.K. LLP**  
Statutory Auditor

Riverside House, 40 – 46 High Street, Maidstone, Kent, ME14 1JH

*7 November 2022*

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2022

	Note	31.3.22 £	31.3.21 £
<b>Revenue</b>	3	1,283,090	968,941
Cost of sales		<u>(725,599)</u>	<u>(358,648)</u>
<b>GROSS PROFIT</b>		557,491	610,293
Administrative expenses		<u>(276,387)</u>	<u>(195,622)</u>
<b>OPERATING PROFIT</b>		281,104	414,671
Other income	4	<u>9,912</u>	<u>53,304</u>
<b>PROFIT BEFORE TAXATION</b>	5	291,016	467,975
Income tax expense	9	<u>(56,796)</u>	<u>(88,926)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		234,220	379,049
Other comprehensive income		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>234,220</u>	<u>379,049</u>
Attributable to equity holders		234,220	379,049

All amounts relate to continuing activities.

Accounting policies and notes on pages 13 to 19 form part of these financial statements

## PERSONNEL HEALTH &amp; SAFETY CONSULTANTS LIMITED

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2022

		31.3.22	31.3.21
	Note	£	£
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	3,919	5,283
<b>CURRENT ASSETS</b>			
Trade and other receivables	11	236,224	204,973
Cash at cash equivalents		397,014	169,509
		<u>633,238</u>	<u>374,482</u>
<b>TOTAL ASSETS</b>		<b>637,157</b>	<b>379,765</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	585,194	171,712
Current corporation tax payable		4,281	44,543
		<u>589,475</u>	<u>216,255</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax	13	671	719
<b>TOTAL LIABILITIES</b>		<b>590,146</b>	<b>216,974</b>
<b>NET ASSETS</b>		<u><b>47,011</b></u>	<u><b>162,791</b></u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS</b>			
Called up share capital	14	1,000	1,000
Share premium		18	18
Retained earnings		45,993	161,773
		<u><b>47,011</b></u>	<u><b>162,791</b></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 1 November 2022 and signed on its behalf by:



S A King – Director

Accounting policies and notes on pages 13 to 19 form part of these financial statements

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2022**

	Share Capital £	Share Premium £	Retained Earnings £	Total £
<b>Balance at 1 April 2021</b>	1,000	18	161,773	162,791
Total comprehensive income	-	-	234,220	234,220
Dividends paid	-	-	(350,000)	(350,000)
<b>Balance at 31 March 2022</b>	<u>1,000</u>	<u>18</u>	<u>45,993</u>	<u>47,011</u>
 <b>Balance at 1 April 2020</b>	 1,000	 18	 257,724	 258,742
Total comprehensive income	-	-	379,049	379,049
Dividends paid	-	-	(475,000)	(475,000)
<b>Balance at 31 March 2021</b>	<u>1,000</u>	<u>18</u>	<u>161,773</u>	<u>162,791</u>

Accounting policies and notes on pages 13 to 19 form part of these financial statements

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2022

	Note	31.3.22 £	31.3.21 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	I	674,611	468,140
Tax paid		(45,846)	(1,977)
Group tax relief payment		(51,260)	(47,515)
<b>Net cash generated from operating activities</b>		<b>577,505</b>	<b>418,648</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		-	(1,173)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(1,173)</b>
<b>Cash flows used by financing activities</b>			
Dividends paid to Group shareholders		(350,000)	(475,000)
<b>Net cash used by financing activities</b>		<b>(350,000)</b>	<b>(475,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>227,505</b>	<b>(57,525)</b>
Cash and cash equivalents at beginning of year		169,509	227,034
<b>Cash and cash equivalents at end of year</b>		<b>397,014</b>	<b>169,509</b>

**NOTES TO THE GROUP STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2022

	31.3.22 £	31.3.21 £
<b>I. CASH GENERATED FROM OPERATIONS</b>		
Operating profit	291,016	467,975
Depreciation charge	1,325	1,766
Loss on sale property, plant and equipment	39	-
Increase in trade and other receivables	(31,251)	(22,453)
Increase in trade and other payables	413,482	20,852
<b>Cash generated from operations</b>	<b>674,611</b>	<b>468,140</b>

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

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022**

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

The Company's financial statements have been prepared in accordance with IFRSs, in conformity with the requirements of the Companies Act 2006, International Financial Reporting Intermediate Committee (IFRIC) interpretations and 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 Company'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 16.

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 and in accordance with Financial Reporting Council guidance have provided reasons for this opinion in the going concern section of the Directors Report on page 4.

There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### **2. ACCOUNTING POLICIES**

##### **Revenue**

Revenue which excludes value added tax, represents the amount receivable in respect of services provided to customers.

The Company provides services such as consultancy, training, safety audits and editorials. Revenue from services is recognised as the services are provided as this is the point at which the performance obligations are fulfilled. In respect of services invoiced in advance, amounts are deferred until provision of the service. The Company also provides annual contracts as appointed safety advisors including the provision of support services. Revenue is recognised evenly across the length of the contract as this is considered the best estimate of the fulfilment of the performance obligations.

Customer payment terms are generally 30 days from the date of invoice for all revenue streams.

##### **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.

# PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2022

### ACCOUNTING POLICIES continued

#### 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:

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

#### Financial instruments

Trade receivables and contract assets are initially stated at fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts for accounts receivable are net of allowances for expected credit losses. The Company evaluated the expected credit losses on trade receivables by reviewing historical data. Individual receivables are only written off when management deems them not collectible.

### 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. OTHER INCOME

Government Grants	31.3.22	31.3.21
	£	£
Coronavirus job retention scheme	9,578	45,804
Other income	334	-
Coronavirus business grant	-	7,500
	<u>9,912</u>	<u>53,304</u>

### 5. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:	31.3.22	31.3.21
	£	£
Depreciation – owned assets	<u>1,325</u>	<u>1,766</u>

### 6. DIRECTORS' REMUNERATION

	31.3.22	31.3.21
	£	£
Directors' emoluments and other benefits	43,761	27,608
Pension contributions	<u>16,597</u>	<u>9,789</u>
	<u>60,358</u>	<u>37,397</u>



**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2022**

**7. STAFF COSTS**

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

Directors	2	2
Consultants	6	6
Administration	3	3
	<u>11</u>	<u>11</u>

The aggregate payroll costs of these persons were as follows:

	31.3.22	31.3.21
	£	£
Wages and salaries	321,002	293,701
Social security costs	31,054	27,478
Other pension costs	23,285	16,594
	<u>375,341</u>	<u>337,773</u>

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

**8. AUDITOR'S REMUNERATION**

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

	31.3.22	31.3.21
	£	£
Audit of the Company's annual financial statements	<u>3,600</u>	<u>3,600</u>

Fees payable for non-audit services are disclosed in the PHSC plc annual report.

**9. 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:

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax at 19% (2021 – 19%)	55,541	88,989
Corporation tax (over)/under provision in respect of prior years	1,303	-
Total current tax	<u>56,844</u>	<u>88,989</u>
Deferred tax:		
Origination and reversal of timing differences	(48)	(63)
Total tax charge for the year	<u>56,796</u>	<u>88,926</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher (2021 – higher) than the standard rate of corporation tax in the UK.

The difference is explained below:

	31.3.22	31.3.21
	£	£
Profit on ordinary activities before tax	<u>291,016</u>	<u>467,975</u>
Profit on ordinary activities multiplied by the lower rate of corporation tax in the UK of 19% (2021: 19%)	55,293	88,915
Effects of:		
Expenses not deductible for tax purposes	41	11
Adjustment to tax charge in respect of previous periods	1,303	-
Differences due to deferred tax rate being higher than standard corporation tax rate	159	-
Total tax charge for the year	<u>56,796</u>	<u>88,926</u>

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2022**

**10. TANGIBLE FIXED ASSETS**

	Improvements to Property £	Fixtures and Equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 April 2021	3,434	54,261	57,695
Additions	-	-	-
Disposals	-	(389)	(389)
At 31 March 2022	3,434	53,872	57,306
<b>DEPRECIATION</b>			
At 1 April 2021	3,432	48,980	52,412
Charge for the year	-	1,325	1,325
Disposals	-	(350)	(350)
At 31 March 2022	3,432	49,955	53,387
<b>NET BOOK VALUE</b>			
At 31 March 2022	2	3,917	3,919
At 31 March 2021	2	5,281	5,283

**11. TRADE AND OTHER RECEIVABLES**

	31.3.22 £	31.3.21 £
Trade receivables	202,457	178,564
Amount owed by group undertakings	7,713	2,253
Other receivables, prepayments and accrued income	26,054	24,156
	<u>236,224</u>	<u>204,973</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. 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.

The ageing analysis of the trade receivables is as follows:

	31.3.22 £	31.3.21 £
Current	155,896	128,972
One month old	28,103	41,251
Two to six months old	17,598	8,341
Over six months old	860	-
	<u>202,457</u>	<u>178,564</u>

One debt as at 31 March 2022 is considered impaired and a full provision of £500 (2021: £500) has been made against this debt. Since the year end the company has gone into liquidation and has been written off. Legal action is ongoing to recover the debt of £860 over six months old. The receivables due at the end of the financial year relate to trading customers.

**PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2022**

**12. TRADE AND OTHER PAYABLES**

	31.3.22	31.3.21
	£	£
Trade payables	101,702	16,888
Social security and other taxes	44,246	64,253
Amount due to ultimate holding company	402,539	45,526
Amount owed to group undertakings	20,413	11,664
Other payables	3,353	2,911
Accruals	4,259	3,652
Contract liabilities	8,682	26,818
	<u>585,194</u>	<u>171,712</u>

On 1 October 2008, the Company and the PHSC plc Group entered an unlimited multilateral guarantee with HSBC plc. This facility is reviewed annually. The Company's balance as at 31 March 2022 was £397,014 (2021: £169,509) within the Group's cash at bank and in hand figure of £649,363 (2021: £1,237,483).

**13. DEFERRED TAXATION**

	31.3.22	31.3.21
	£	£
Accelerated capital allowances	730	774
Short term timing differences	<u>(59)</u>	<u>(55)</u>
	<u>671</u>	<u>719</u>
	Deferred	Deferred
	tax	tax
	£	£
At 1 April 2021	719	782
Deferred tax (credit)/charge in year (see note 8)	<u>(48)</u>	<u>(63)</u>
At 31 March 2022	<u>671</u>	<u>719</u>

**14. SHARE CAPITAL**

	31.3.22	31.3.21
	£	£
Allotted, issued and fully paid	1,000	1,000
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 2022**

**15. RELATED PARTY DISCLOSURES**

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

	31.3.22	31.3.21
	£	£
Management charge from PHSC plc to PHSCL	<u>30,000</u>	<u>30,000</u>

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

	31.3.22	31.3.21
	£	£
<b>Amounts owed by group undertakings</b>		
Inspection Services Limited	6,171	2,181
QCS International Limited	1,470	-
Safetymark Certification Services Limited	72	72
	<u>7,713</u>	<u>2,253</u>

<b>Amounts owed to group undertakings</b>		
B2BSG Solutions Limited	9,493	7,415
PHSC plc	402,539	45,526
QCS International Limited	-	200
Quality Leisure Management Limited	6,348	2,432
RSA Environmental Health Limited	4,572	1,617
	<u>422,952</u>	<u>57,190</u>

**16. FINANCIAL INSTRUMENTS**

Set out below are the Company's financial instruments:

	31.3.22	31.3.21
	£	£
<b>Financial assets at amortised cost</b>		
Trade and other receivables	236,224	204,973
Cash and cash equivalents	397,014	169,509
	<u>633,238</u>	<u>374,482</u>

<b>Financial liabilities at amortised cost</b>		
Trade and other payables	585,194	171,712
	<u>585,194</u>	<u>171,712</u>

Due within 1 year	585,194	171,172
Due in over 1 year	-	-
	<u>585,194</u>	<u>171,172</u>

## PERSONNEL HEALTH & SAFETY CONSULTANTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS – continued for the year ended 31 March 2022

#### FINANCIAL INSTRUMENTS continued

The Company's principal financial instruments comprise cash, short term 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:

- Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.
- Revenue recognition: revenue from services is recognised as the services are provided as this is the point at which the performance obligations are fulfilled. In respect of annual support service contracts, revenue is recognised evenly across the length of the contract as this is considered the best estimate of the fulfilment of the performance obligations.

#### **18. PARENT UNDERTAKING**

PHSC plc, incorporated in England and Wales, is the ultimate parent company of the group. There is no ultimate controlling party but the largest shareholder, Mr S A King, group chief executive, holds 21.62% (2021: Mr S A King 21.67%) 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.