

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. Your attention is drawn to Part 2 of this document entitled “Risk Factors.”

The Directors, whose names appear on page 4 of this document, accept responsibility individually and collectively for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document. Under no circumstances should the information contained in this document be relied upon as being accurate at any time after Admission.

Application has been made for all the Ordinary Shares of the Company to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares will commence on AIM on 4 July 2005. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. AIM securities are not admitted to the Official List.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List. The London Stock Exchange has not itself examined or approved the contents of this document. Apart from the application for admission to AIM, the Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made.

This document, which is an admission document, has been drawn up in accordance with the requirements of the AIM Rules and although it has been drawn up in accordance with the Public Offers of Securities Regulations 1995 (as amended) it does not comprise a prospectus in accordance with them. A copy of this document has not been, and will not be, delivered to the Registrar of Companies in England and Wales in accordance with Regulation 4(2) of the POS Regulations.

PHSC plc

(Incorporated in England and Wales under the Companies Act 1985 with Company Number 4121793)

Admission to trading on AIM

**Nominated Adviser and Broker
Ruegg & Co Limited**

Share capital immediately following Admission

<i>Authorised</i>			<i>Issued and fully paid</i>	
Amount	Number		Amount	Number
£1,500,000	15,000,000	Ordinary Shares of 10p each	£978,550.40	9,785,504

This document does not constitute an offer or invitation to subscribe for or to purchase any securities in the Company. No Ordinary Shares have been, or are proposed to be, offered to the public in connection with the application for admission to AIM.

Ruegg & Co Limited, which is authorised in the United Kingdom under the FSMA and regulated in the United Kingdom by the FSA, is acting solely as nominated adviser and broker to the Company for the purposes of the AIM Rules in connection with Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. Ruegg & Co Limited has not authorised the contents of this document and no representation or warranty, express or implied, is made by Ruegg & Co Limited as to the contents or the completeness of this document. Ruegg & Co Limited is acting for the Company and no one else in connection with Admission and will not be responsible to any other person for providing the protections afforded to customers of Ruegg & Co Limited, nor for providing advice in relation to the contents of this document or any other matter referred to herein.

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DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 1985, as amended
“Admission”	the admission of the ordinary share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules for companies governing admission to and trading on AIM, published from time to time by the London Stock Exchange
“ALS”	Adamson’s Laboratory Services Limited
“ALS Acquisition Agreement”	the agreement dated 17 June 2005 between Jane Adamson, Matthew Goldsmith and Gary Meades (1) and the Company (2), details of which are set out in paragraph 10.1 of Part 4 of this document
“Board” or “the Directors”	the directors of the Company listed on page 4 of this document
“CREST”	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument administered by CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755)
“Environmental Health Officer”	a worker employed to ensure that the places where people live, eat and work are safe and hygienic
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Group”	the Company and its subsidiaries as at the date of this document
“Health and Safety Executive”	the statutory Non-Departmental Public Body set up under the Health and Safety at Work etc Act 1974 which is responsible for the regulation of risks to health and safety arising from work activity in Great Britain
“HSBC”	HSBC Bank plc
“HSBC Loan”	the loan of £400,000 by HSBC Bank plc to PHSC, further details of which are set out in paragraph 10.5 of Part 4 of this document
“Investor in People”	an organisation which has been recognised as an Investor in People by Investors in People UK through adherence to the best practice standards set by Investors in People UK
“London Stock Exchange”	London Stock Exchange plc
“Ofex”	a market operated by Ofex plc for dealings in the securities of smaller companies
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“PHSC” or “Company”	PHSC plc
“PHSCL”	Personnel Health & Safety Consultants Limited
“POS Regulations”	the Public Offers of Securities Regulations 1995, as amended
“Registrars”	Capita Registrars
“RSA”	RSA Environmental Health Limited
“RSA Acquisition Agreement”	the agreement dated 29 March 2004 between the Company (1) and Hilary Ann Smith and Robin Andrew Smith (2), details of which are set out in paragraph 10.2 of Part 4 of this document
“Ruegg” or “Ruegg & Co”	Ruegg & Co Limited
“Shareholder”	a holder of Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA

DIRECTORS, SECRETARY AND ADVISERS

Directors	Stephen Anson King Nicola Catherine Scott née Coote Graham Norman Webb MBE Michael John Lee Miller	<i>Managing Director & Chairman</i> <i>Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
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All of:-

Registered Office	The Old Church 31 Rochester Road Aylesford Kent ME20 7PR
Company Secretary	Lorraine Elizabeth Young
Nominated Adviser and Broker	Ruegg & Co Limited 39 Cheval Place London SW7 1EW
Reporting Accountants	CLB Corporate Finance LLP Aldwych House 81 Aldwych London WC2B 4HP
Auditors	CLB, Chartered Accountants Aldwych House 81 Aldwych London WC2B 4HP
Solicitors to the Company	Norton Rose Kempson House Camomile Street London EC3A 7AN
Bankers	HSBC 1-5 Week Street Maidstone Kent ME14 1QW
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE OF EVENTS

Publication of this document	28 June 2005
Admission and dealings in the Ordinary Shares to commence on AIM	8.00 a.m. on 4 July 2005

ADMISSION STATISTICS

Number of Ordinary Shares in issue on Admission	9,785,504
Market capitalisation of the Company on Admission at 64.5p* per Ordinary Share	£6,311,650

*Being the mid-price per Ordinary Share as quoted on Ofex at close of business on 27 June 2005.

PART 1

INFORMATION ON THE GROUP

Background and Growth of the Group

Stephen King and Nicola Coote, having been employed in various capacities within the health and safety departments of News International and Reuters between 1985 and 1992, recognised the opportunity to establish a company to advise on health and safety issues to organisations in the UK.

PHSCL was established in 1990 to offer a comprehensive range of workplace health and safety services to corporate clients across the UK. It initially focused on providing solutions to clients on ergonomics issues in the workplace. The revenues of PHSCL were £37,000 for the year ended 31 March 1992, which was the first full year of trading. Revenues have demonstrated a consistent upward trend since then such that the revenues of the Group, which now comprises a holding company, three operating subsidiaries and four dormant subsidiaries, were £2,217,450 for the year ended 31 March 2005. During 2004 the Company embarked upon a proactive acquisition strategy seeking contracts or businesses within the health and safety consultancy sector.

The Company, which has its headquarters in Aylesford in Kent, was incorporated on 8 December 2000 and is the holding company of the Group. The Company's shares were admitted to trading on Ofex on 3 June 2003, since when the Company has acquired three businesses complementary to that of PHSCL.

The Company, through its three wholly-owned operating subsidiaries described below (being PHSCL, RSA and ALS), is a provider of health, safety and environmental services to corporate and public sector clients.

Personnel Health & Safety Consultants Limited

PHSCL's operations include consultancy and advisory services, design and delivery of health and safety training courses, writing editorial and technical material for safety publishers and expert witness services. Specific examples of work carried out include risk assessments, safety audits, policy writing, and designing health and safety management systems.

PHSCL was the first organisation to achieve accreditation to ISO 9002 Quality Assurance standards (now ISO 9001) specifically for the provision of health and safety consultancy and training, and is also an Investor in People.

Clients are as varied as Westminster Abbey, Sport England, LogicaCMG Plc, The Dutton-Forshaw Group Ltd and Reuters plc.

PHSCL offers training and examinations leading to certification from the Chartered Institute of Environmental Health, the National Examination Board in Occupational Safety and Health, and the Institution of Occupational Safety and Health. PHSCL is approved by the Health and Safety Executive for providing statutory first-aid training. It is a legal requirement in the UK for every employer or self-employed person to provide first aid cover for themselves and their employees.

PHSCL can also help its clients to manage each element of their existing health and safety management systems. For example, PHSCL can write, and train employees, on new policies, carry out a range of audits on a client's behalf, and provide assistance with planning for health and safety within an organisation.

PHSCL facilitates the design and implementation of safety management systems for organisations via its 'Appointed Safety Advisor Service'. This service entitles the client to designate PHSCL as a "competent person" for the purposes of complying with workplace health and safety. It is a legal requirement for every employer and self-employed person to demonstrate access to sufficient expertise to interpret and implement the numerous requirements of health and safety legislation. Clients are contracted for an initial term of two years, and as part of the package are entitled to a number of days which may be used for consulting or training, charged for on a sliding scale according to the number of days subscribed for within each contractual year. Clients also have ad-hoc access twenty four hours per day, seven days per week, to professional support and advice.

Around 45% of PHSCL's turnover derives from contracts entered into for its Appointed Safety Advisor Service. Fees are invoiced in equal instalments throughout the contractual period, regardless of when consultancy days are

utilised. This presently provides an average income stream of circa £50,000 per month, which the Directors are seeking to increase.

PHSCL has an established portfolio of ongoing contracts through which it provides advisory services and training to corporate and public sector clients. PHSCL fee income is generated by approximately 65% consultancy services and 35% via designing and running training courses.

PHSCL is a registered centre for various accredited health, safety and environmental training courses. Consultancy income includes fees for producing editorial and technical material for safety publishers and preparation of expert witness reports.

RSA Environmental Health Limited

RSA was acquired by the Company in April 2004, and provides food hygiene and general safety inspection services to local authorities. It is an established consultancy, and a provider in the UK of environmental health and related services. From its offices in Northamptonshire, RSA offers consultancy and training services to all sectors of commerce and industry. Much of RSA's income is secured under contracts with local authorities for the provision of Environmental Health Officers. Contracts may be for a set number of food hygiene or health and safety inspection visits, or for short-term placements of Environmental Health Officers with clients. RSA's ship sanitation division offers specialised services to the cruise and leisure industry across the world.

The acquisition of RSA has enabled the Group to expand both its client base and the range of health, safety and environmental services it offers. This is in line with the Group's growth strategy, which focuses on the acquisition of a portfolio of complementary but non-competing businesses within the health and safety consultancy sector.

A summary of the RSA Acquisition Agreement is set out in paragraph 10.2 of Part 4 of this document.

Adamson's Laboratory Services Limited

ALS was acquired on 17 June 2005 and represents the largest, in terms of revenues and profits, of the Company's acquisitions to date. ALS was established in 1985, and is a health, safety and environmental consultancy. Services offered include asbestos surveying and management, health and safety management, environmental monitoring, occupational hygiene services, and training courses related to these services. The client base of ALS includes a number of blue chip organisations, institutions and local authorities. ALS is accredited by the United Kingdom Accreditation Service for asbestos surveying and analysis, and has a supervisory licence for work with asbestos from the Health and Safety Executive. Analysis is carried out at ALS's on-site laboratory. ALS offers training under approvals from the Institution of Occupational Safety and Health and the Chartered Institute of Environmental Health.

A summary of the ALS Acquisition Agreement is set out in paragraph 10.1 of Part 4 of this document.

Future Strategy of the Group

Having grown the business of the Group organically from inception in 1990 through to 2004 the Directors recognised an opportunity to acquire other similar businesses or companies within the health and safety consultancy sector with a view to creating a group that would be recognised nationally as being a quality and efficient provider of health and safety consultancy and associated services.

In 2004, as described above, the Company acquired RSA as the first of three acquisitions. RSA has now been fully integrated into the Group and has added to the platform on which the Directors intend to build.

Following the acquisition of RSA, the Group acquired the business of Lindum Safety Consultancy in December 2004. The ongoing contracts of Lindum were divided between PHSCL and RSA. Following this, on 17 June 2005, the Company completed the acquisition of ALS.

Whilst the Group continues to enjoy organic growth the objective now is for the Group to make further acquisitions such that it can expand its offering of a range of general and specialised health, safety and environmental consultancy, and training services. Existing services are provided principally throughout the UK but also internationally. The Directors have sought to purchase existing businesses or companies within the health and safety consultancy sector where it can be clearly demonstrated that the Group should be able to achieve payback of acquisition costs within three to four years. Targets must have further potential for growth in the future.

Bringing them into the fold of a larger group potentially reduces overheads and offers other parts of the Group the opportunity to cross-sell services more fully than would otherwise be the case.

Market Opportunities from Regulatory Developments

Frequently changing legislation in the field of health and safety means that many organisations may struggle to keep up with their legal obligations. The Group seeks to keep abreast of such changes and can therefore assist with the statutory requirements of organisations.

Competition

Competitors include organisations such as the British Safety Council and the Royal Society for the Prevention of Accidents which are registered as charities and obtain income through charging fees for training and consultancy services. There are also practices set up by, or associated with, insurance companies, for example Norwich Union Risk Services. Other competitors are management consultancy practices that include health and safety support within the range of services they offer, for example National Britannia Limited and Peninsular Business Services Limited. RPS Group plc, which mainly competes within the environmental sector, and WS Atkins plc, both of which are listed on the Official List, also offer many of the services offered by the Group. Wyatt Group plc, an AIM-listed company, was set up with the intention of developing a range of businesses in the consultancy service sector, providing both telephone and on-line advisory support with a focus on health and safety, fire safety, human resources, and other environmental and workplace issues.

Whilst there are a few larger players within the industry, some of which are described above, there are many individuals or partnerships within the industry which have limited resources and therefore may be unable to service an expanding brief from clients. As described above, the Directors believe that this presents an opportunity for the Group and that if it acquires such businesses it will be able to consolidate overheads and offer the potential to exploit contracts that may have been underutilised or not fully exploited by these smaller businesses.

Directors

Stephen Anson King Dip Sm FIIRSM FRSH FIOSH RSP (aged 49) – Chairman and Managing Director

Stephen King co-founded PHSCl in 1990 with Nicola Coote. He has 20 years experience in health and safety management, having qualified in 1985. He left a role as Personnel Manager at Delta Enfield Cables Ltd in 1986, moving to the News International printing facility at Wapping, London. At News International, he was Occupational Health and Safety Manager, in charge of a team of practitioners responsible for the well-being of over 4,000 staff. In 1990, he joined Reuters plc as UK Health and Safety Manager. He left employment with Reuters plc in 1992 and continued to service their health and safety requirements through PHSCl. He has acted as Secretary of the South East Branch of the Institution of Occupational Safety and Health, and served a two-year term as Chairman of the London Occupational Health and Safety Group by whom he was granted honorary Life Membership. He chaired the annual Tolley Health and Safety Conference for three successive years, and has presented papers at a number of conferences.

Professional Affiliations:

Fellow of Institution of Occupational Safety and Health
Fellow of International Institute of Risk and Safety Management
Fellow of Royal Society for the Promotion of Health
Registered Safety Practitioner
Registered Expert Witness
Corporate (Founder) Member of the Society of Expert Witnesses

Nicola Catherine Coote MCIPD FIOSH RSP (aged 44) – Executive Director

Nicola Coote co-founded PHSCl in 1990 with Stephen King. After an administrative role in health and safety with News International, she moved to Reuters plc in 1990, and qualified as a health and safety practitioner in 1991. She left their employment in 1992 and continued to service their health and safety requirements through PHSCl. Nicola has served as Secretary of the South East Branch of the Institution of Occupational Safety and Health, and has chaired the annual Tolley Health and Safety Conference. She has been a national examiner for the National Examination Board in Occupational Safety and Health since 1995.

Professional Affiliations:

Fellow of Institution of Occupational Safety and Health
Corporate Member – Chartered Institute of Personnel and Development
Registered Safety Practitioner
Associate Member – the Institute of Environmental Management and Assessment

Graham Norman Webb MBE (aged 58) – Non-Executive Director

Graham Webb was appointed as a non-executive director of the Company in June 2003. He is chairman of the international hair and beauty group that bears his name. He was chairman of the Institute of Directors, Kent branch, from 1996 to 1999 and was appointed as a member of the Confederation of British Industry South Eastern Regional Council (1994 to 2000). He served as a director of Kent Training and Enterprise Council prior to its reorganisation, and was also a member of the CBI Training and Skills Council from 1995 to 2000. His charitable activities include a trusteeship with Kent Association for Spina Bifida and Hydrocephalus. As chairman of the Kent and Medway NSPCC Full Stop Appeal, Graham helped raise over £460,000. In the 2005 New Year Honours list, Graham was awarded an MBE for his services to business, and charity in Kent.

Michael John Lee Miller (aged 61) – Non-Executive Director

Mike Miller was appointed non-executive director of the Company in June 2005. Having worked for 33 years with National Westminster Bank plc, latterly in managerial roles, Mike left to become a director of Brossard de Bayle Ltd, an independent commercial banking consulting firm, in 1995 where he assessed and found suitable financing for small and medium sized enterprises. In 1999 he joined Beer Mergers Ltd, a mergers and acquisitions advisory firm specialising in owner managed businesses, as a regional director and in this capacity Mike has been valuable in introducing and assessing companies suitable for acquisition by the Company. Mike has been an honorary treasurer for Save the Children Fund in Maidenhead and Reading, Uckfield Chamber of Commerce and his golf club in Seaford. He is also a member of the Institute of Directors.

Future Appointments

It is the Company's intention to seek to appoint in due course a suitably qualified individual to act as finance director of the Company.

Other Senior Personnel

Stuart Letley

Stuart Letley was appointed managing director of RSA upon the acquisition of that company by PHSC. He previously managed the environmental division of PHSC, having joined the company in May 2000. Prior to this, he worked as an enforcement officer for Thanet District Council. Stuart has an MSc in Pollution and Environmental Control.

Jane Adamson

Jane Adamson has been managing director of ALS since she formed the company in 1985. Jane will remain as managing director of ALS for an initial term of not less than two years from 17 June 2005.

Paula Green

Paula Green was appointed business development manager of PHSC in 2001, having carried out a similar role in consultancy practice elsewhere. Before moving into consultancy, Paula held a senior management position at the property division of Railtrack plc.

Staff

In addition to the Directors and other senior personnel, the Group currently employs 55 people, including fee-earners and administration staff, some of whom are part-time. RSA also recruits Environmental Health Officers for short-term placements with local health authorities.

Reasons for Admission

The Directors are applying for the Company's shares to be admitted to trading on AIM to provide access to capital in the future via a broader investor base for the purposes of making further acquisitions and financing organic

growth. The Directors believe that the profile and status of the Group will be enhanced by Admission and may facilitate further opportunities in relation to businesses seeking to be acquired.

Admission to AIM and Dealings in Ordinary Shares

Application has been made for the Ordinary Shares to be admitted to trading on AIM. It is expected that the Ordinary Shares will be withdrawn from trading on Ofex at close of business on 30 June 2005 and that dealings in the Ordinary Shares will commence on AIM on 4 July 2005.

Ruegg & Co has been appointed as the Company's Nominated Adviser and Broker in relation to Admission.

Current Trading and Prospects

In the opinion of the Directors the Group continues to trade well and in line with their expectations. The operating subsidiaries of the Company continue to gain new contracts, and build on existing relationships with clients. The Directors look forward to reporting on the Group's revenues and profitability at the interim stage.

CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Ordinary Shares were admitted to CREST on their admission to trading on Ofex in June 2003. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, should shareholders so wish. The Company's Articles of Association permit the holding of Ordinary Shares to be evidenced in uncertificated form in accordance with the CREST Regulations.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All the Ordinary Shares are in registered form and no temporary documents of title are issued.

Corporate Governance

The Directors intend that the Company will comply with the main provisions of the Combined Code on Corporate Governance in so far as is appropriate, having regard to the size and nature of the Group. The Company has appointed two non-executive directors with relevant experience to complement the executive directors and to provide an independent view to the Board.

An audit committee, comprising Mike Miller and Graham Webb, has been established by the Company to operate from Admission. The audit committee will be chaired by Mike Miller and will meet at least twice each year. The audit committee will be responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported on and for meeting with the Group's auditors and reviewing their reports on the accounts and the Group's internal controls.

The Company has in addition established a remuneration committee, comprising Graham Webb and Mike Miller, to operate from Admission. The remuneration committee will be chaired by Graham Webb. The remuneration committee will be responsible for reviewing the performance of the executive directors and setting their remuneration.

Share Dealing Code

The Company has adopted and will operate a share dealing code governing the share dealings of the Directors and applicable employees during close periods in accordance with Rule 21 of the AIM Rules.

Orderly Market Arrangements

The Directors have undertaken to the Company and to Ruegg that for the 12 months immediately following Admission they will only effect a sale of Ordinary Shares registered in their names (being in aggregate 7,104,433 Ordinary Shares, representing 71.9 per cent. of the issued share capital of the Company) through the broker for the time being of the Company and will only do so following consultation with the broker in relation to any such disposal and further that any such disposal will be made in such a manner as such broker may reasonably require with a view to maintaining an orderly market in the Ordinary Shares.

Dividend Policy

It is the intention of the Directors to achieve capital growth by maximising the profits of the Group and as such they intend to utilise available funds for value-enhancing means such as acquisitions. If such acquisitions are not available then the Directors intend to put in place a progressive dividend policy in the future.

Warrants

The Company has granted, and has agreed conditionally to grant, warrants to subscribe for new Ordinary Shares to Ruegg & Co, further details of which are set out in paragraphs 2.9 and 2.10 of Part 4 of this document.

Taxation

The attention of prospective investors is drawn to paragraph 8 of Part 4 of this document.

Shareholders who are in any doubt as to their tax position should consult their professional advisers immediately.

Further Information

Your attention is drawn to the further information set out in Parts 2 to 4 of this document, including the Risk Factors in Part 2.

PART 2

RISK FACTORS

The risks noted below do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority.

Potential investors are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him. Prospective investors should also consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below, before making any investment decision.

Financing

The Group's ability to raise further funds will depend on the success of existing and acquired operations. The Group may not be successful in procuring the requisite funds and, if such funding is unavailable, the Group may be required to reduce the scope of its operations or anticipated expansion.

Regulatory/Marketplace

Much of the Group's work involves advising organisations on the implementation of measures to meet regulatory requirements relating to health and safety at work. If the regulatory burden was to be substantially lightened, for example if the Government embarked upon a programme of radical deregulation, there could be less demand for the Group's services.

If it became mandatory for organisations of a certain size to employ dedicated health and safety personnel directly, this may have the effect of substantially reducing the number of clients to whom the Group could provide a service.

Changes to the operation of the employers' liability insurance system, as proposed in some quarters, could reduce the incentive for organisations to buy in claims-preventive services such as health and safety advice.

Technological

The Company's web site is a primary source of new business. If the web site became inaccessible for protracted periods, or was subject to "hacking", this may prejudice the opportunity to obtain new business.

The increase in the use of the internet for satisfying business requirements may lead to a reduction in demand for face-to-face consultancy services.

The number of training courses commissioned from Group companies may be affected by moves toward screen-based interactive learning.

Local/Specific

Generally there is an excess of demand over supply for health and safety professionals. Those with sufficient qualifications and experience to be suitable for consultancy roles are in the minority. This has the combined effect of making it difficult for the Group to source suitable personnel, and offering higher remuneration packages to attract them.

The Group offers a nationwide service but does not have offices north of the Midlands. Some organisations see benefit in using consultancies that are local to them, and this puts the Group at a disadvantage when seeking contracts in the north of the UK.

Dependence on Key Personnel

The Group is dependent upon its current executive management team. Whilst it has entered into contractual arrangements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. Accordingly, the loss of any key management of the Group may have an adverse effect on the future of the Group's business. There are currently no arrangements in place for key-man insurance.

Areas of Investment Risk

The prices of publicly quoted securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to the Company.

The Ordinary Shares will not be listed on the Official List, and although the Ordinary Shares will be traded on AIM this should not be taken as implying that there will be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies. Therefore an investment in the Ordinary Shares may be difficult to realise and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down and investors may therefore not recover their original investment.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others which are extraneous.

Licences

The Group is reliant on licences and accreditations in order to be able to carry on its business. The loss of, or failure to maintain, any single licence or accreditation would be unlikely to be materially detrimental to the Group, as the Directors believe that this could be remedied. However, if the Group fails to remedy any loss of, or does not maintain, any licence or accreditation, this could lead to the loss of others which could have a materially adverse effect on the business of the Group.

PART 3
FINANCIAL INFORMATION
SECTION A
ACCOUNTANTS' REPORT ON THE COMPANY

The following is the text of a report received from CLB Corporate Finance LLP, reporting accountants.

The Directors
PHSC plc
The Old Church
31 Rochester Road
Aylesford
Kent
ME20 7PR



The Directors
Ruegg & Co Limited
39 Cheval Place
London
SW7 1EW

28 June 2005

Dear Sirs,

PHSC plc

Introduction

We report on the financial information set out below relating to PHSC plc (the “Company”) and its subsidiary undertakings (together, “the Group”). This information has been prepared for inclusion in the AIM admission document dated 28 June 2005 (the “Admission Document”) relating to the proposed admission to trading on AIM of the Company’s ordinary shares.

Basis of preparation

The financial information set out below is based on the audited financial statements of the Company for the years ended 31 March 2003, 31 March 2004 and 31 March 2005, to which no adjustments were considered necessary.

The financial statements of the Company for the years ended 31 March 2003 and 31 March 2004 were audited by Waring & Partners, Chartered Accountants and Registered Auditors, Canterbury. The financial statements of the Company for the year ended 31 March 2005 were audited by CLB, Chartered Accountants and Registered Auditors, London.

Responsibility

Such financial statements are the responsibility of the Directors of the Company, who approved their issue.

The Directors of the Company are responsible for the contents of the Admission Document in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. The evidence included audits of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud, other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information contained in this report gives, for the purposes of the Admission Document drawn up in accordance with the Public Offers of Securities Regulations 1995, a true and fair view of the state of affairs of the Group as at 31 March 2003, 31 March 2004 and 31 March 2005 and of its results, cash flows and recognised gains and losses for the years then ended.

Consent

We consent to the inclusion in the Admission Document of this report and accept responsibility for this report as provided by paragraph 45(1)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

		<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Turnover				
Continuing operations		1,362,489	1,249,302	1,136,713
Acquisitions		854,961	–	–
		2,217,450	1,249,302	1,136,713
Cost of sales	2	1,037,407	438,409	425,677
Gross profit		1,180,043	810,893	711,036
Net operating expenses	2	718,300	510,152	341,996
Operating profit	4	461,743	300,741	369,040
Continuing operations		343,178	300,741	369,040
Acquisitions		118,565	–	–
		461,743	300,741	369,040
Interest receivable and similar income		14,369	9,851	4,287
Profit on ordinary activities before taxation		476,112	310,592	373,327
Tax on profit on ordinary activities	5	159,835	76,097	91,768
Profit on ordinary activities after taxation		316,277	234,495	281,559
Dividends	6	–	76,250	198,908
Retained profit for the year for the group	16	316,277	158,245	82,651
Earnings per share	7	4.06p	3.13p	55.18p
Diluted earnings per share	7	4.05p	3.13p	55.18p

All of the activities of the Group are classed as continuing.

Note of historical cost profits and losses

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Profit for the financial period		316,277	234,495	281,559
Unrealised gain on revaluation of freehold property		–	–	103,112
Total recognised gains and losses relating to the period		316,277	234,495	384,671

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Fixed assets				
Intangible assets	8	1,104,216	664,952	–
Tangible assets	9	389,417	396,503	390,637
		1,493,633	1,061,455	390,637
Current assets				
Debtors	10	406,640	376,727	153,532
Cash at bank and in hand		808,082	453,927	456,155
		1,214,722	830,654	609,687
Creditors: amounts falling due within one year	11	(358,989)	(228,120)	(190,892)
Net current assets		855,733	602,534	418,795
Total assets less current liabilities		2,349,366	1,663,989	809,432
Creditors: amounts falling due after more than one year	12	–	(2,200)	(4,840)
Net assets		2,349,366	1,661,789	804,592
Capital and reserves				
Called up share capital	14	837,550	750,000	51,030
Share premium account	15	283,750	–	18
Revaluation reserve	15	103,112	103,112	103,112
Profit and loss account	15	1,124,954	808,677	650,432
Shareholders' funds	16	2,349,366	1,661,789	804,592

CONSOLIDATED CASH FLOW STATEMENT

		<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Net cash inflow from operating activities	20	623,438	145,995	484,197
Return on investments and servicing of finance				
Interest received		14,369	9,851	4,287
Taxation		(76,575)	(87,410)	(54,329)
Capital expenditure				
Purchase of intangible fixed assets		(477,775)	–	–
Purchase of tangible fixed assets		(22,288)	(38,024)	(50,775)
Sales of tangible fixed assets		450	–	–
Net cash outflow from capital expenditure		(499,613)	(38,024)	(50,775)
Equity dividends paid		(76,124)	(30,000)	(171,688)
Net cash (outflow)/inflow before financing		(14,505)	412	211,692
Financing				
Capital (repayments)/receipts in year		(2,640)	(2,640)	7,480
Shares issued		87,550	–	49,999
Premium of shares issued in the year		302,450	–	–
Costs of placing new shares issued		(18,700)	–	–
Net cash inflow from financing		368,660	(2,640)	57,479
Increase/(decrease) in cash in the period	21	354,155	(2,228)	269,171

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards. There were no material departures from these standards. The financial information in this Part 3A does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

(b) Basis of consolidation

The consolidated financial statements incorporate the results of PHSC plc and all of its subsidiaries at 31 March 2005 and 31 March 2004.

The figures at 31 March 2003, however, represent the sum of the activities and net assets of those companies prior to their acquisition as subsidiary undertakings in April 2003.

(c) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers.

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.

(d) Goodwill

Goodwill arises on the acquisition of subsidiary undertakings and interests and represents the excess of the cost of acquisition over the net asset values of the subsidiaries or interests acquired. In accordance with the Financial Reporting Standards (FRS 10) such goodwill is capitalised as an intangible asset and then amortised against profits in equal instalments over its estimated useful life. The expected useful life of acquired goodwill is estimated at 20 years.

(e) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Freehold property	–	2% on cost
Improvements to property	–	10% on cost
Fixtures & Equipment	–	25% on reducing balance
Motor vehicles	–	25% on reducing balance

(f) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Provision is made for tax on gains arising from revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into the replacement assets and charged only to tax where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax balances are not discounted.

(g) Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their useful economic lives. Those

held under finance leases are depreciated over their useful economic lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payment is treated as a liability.

(h) Operating lease agreements

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

(i) Pension

The Group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. Analysis of operations

<i>Year ended 31 March 2005</i>	<i>Continuing</i>	<i>31 March 2005 Acquisitions</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost of sales	458,323	579,084	1,037,407
Gross profit	904,166	275,877	1,180,043
Net operating expenses: Administrative expenses	560,988	157,312	718,300

<i>Year ended 31 March 2004</i>	<i>Continuing</i>	<i>31 March 2004 Acquisitions</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost of sales	438,409	–	438,409
Gross profit	810,893	–	810,893
Net operating expenses: Administrative expenses	510,152	–	510,152

<i>Year ended 31 March 2003</i>	<i>Continuing</i>	<i>31 March 2003 Acquisitions</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost of sales	425,677	–	425,677
Gross profit	711,036	–	711,036
Net operating expenses: Administrative expenses	341,996	–	341,996

Acquisitions are in respect of RSA Environmental Health Limited acquired effective from 1 April 2004 and Lindum Safety Consultancy on 22 December 2004.

3. Staff costs

The aggregate costs of staff and directors are as follows:

	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Wages and salaries	1,245,459	543,194	468,609
Social security costs	91,798	44,776	38,666
Other pension costs	21,799	9,607	19,215
	<hr/>	<hr/>	<hr/>
	1,359,056	597,577	526,490

The average number of persons employed during the year was as follows:

	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Consultants	35	14	13
Administrative	6	5	5
	<hr/>	<hr/>	<hr/>
	41	19	18

4. Operating profit

The operating profit is stated after charging:

	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Depreciation – owned assets	29,677	29,302	9,804
Depreciation – assets on hire purchase contracts	2,142	2,856	762
Loss on disposal of fixed assets	2,173	–	–
Goodwill amortisation	58,250	34,000	23,333
Patents and licences amortisation	500	–	–
Auditors remuneration	11,479	8,875	8,875
Auditors' remuneration for non audit work	3,897	4,618	–
Directors emoluments	114,004	60,525	41,055

5. Taxation

Analysis of the tax charge

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

	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Current tax:			
UK corporation tax	160,064	77,690	91,768
Over/Under provision	(229)	(1,593)	–
Tax on profit on ordinary activities	159,835	76,097	91,768
UK corporation tax has been charged at:	33.6%	25%	25%
Factors affecting the tax charge for the period			

a) Factors affecting the tax charge for the period

The tax charge for the period differs from the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Profit on ordinary activities before tax	476,112	310,592	373,327
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 and 2003: 30%)	142,834	93,178	111,998
Effects of:			
Amortisation of goodwill not eligible for capital allowances	17,100	10,200	7,000
Disallowed expenses and adjustments	3,258	3,319	–
Depreciation in excess of capital allowances claimed	153	698	(3,119)
Marginal relief for profits less than upper limit	(3,510)	(31,298)	(24,111)
Total current tax charge	159,835	76,097	91,768

The amount of tax that has not been provided on the revalued fixed assets is £30,933 (2004: £30,933 and 2003 £30,933). At present it is not envisaged that any tax will become payable in the foreseeable future.

6. Dividends

	<i>Year ended 31 March 2005 £</i>	<i>Year ended 31 March 2004 £</i>	<i>Year ended 31 March 2003 £</i>
Equity shares:			
Interim	–	–	168,908
Final	–	76,250	30,000
	–	76,250	198,908

7. Earnings per share

The earnings per share is 4.06p (2004: 3.13p and 2003 55.18p).

The basic earnings per share is calculated by dividing the consolidated profit on ordinary activities after tax of £316,277 (2004: £234,495 and 2003: £281,559) by 7,783,784 (2004: 7,500,000 and 2003: 510,300), this being the weighted average number shares in issue and carrying the right to receive dividend during the year.

The calculation of diluted earnings per share is based on the consolidated profit on ordinary activities after tax for the financial year of £316,277 (2004: £234,495 and 2003: £281,559) and on 7,809,795 ordinary shares (2004: 7,500,000 and 2003: 510,300), being the weighted average number of ordinary shares in issue and carrying the right to receive a dividend during the year, being 7,783,784 (2004: 7,500,000 and 2003: 510,300) ordinary shares diluted for the effect of 26,011 (2004 and 2003: nil) being the weighted average number of warrants issued.

8. Intangible fixed assets

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Goodwill			
Cost brought forward	698,452	–	–
Additions	485,514	698,952	–
In subsidiaries acquired	12,500	–	–
Carried forward	1,196,466	698,952	–
Amortisation brought forward	34,000	–	–
Amortisation for the year	58,250	34,000	–
Carried forward	92,250	34,000	–
Net book value	1,104,216	664,952	–

9. Tangible fixed assets

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Total			
Cost brought forward	474,526	436,502	282,615
Additions	22,288	38,024	50,775
Disposals	(7,348)	–	–
Acquisition of subsidiary	21,019	–	–
Surplus on revaluation	–	–	103,112
Carried forward	510,485	474,526	436,502
Depreciation brought forward	78,023	45,865	35,299
Charge	31,819	32,158	10,566
Eliminated on disposal	(4,725)	–	–
Acquisition of subsidiary	15,951	–	–
Carried forward	121,068	78,023	45,865
Net book value	389,417	396,503	390,637

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
<i>Freehold property</i>			
Cost brought forward	324,250	324,250	221,138
Surplus on revaluation	–	–	103,112
Carried forward	324,250	324,250	324,250
Depreciation brought forward	6,485	–	–
Charge	6,485	6,485	–
Carried forward	12,970	6,485	–
Net book value	311,280	317,765	324,250

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
<i>Improvements to property</i>			
Cost brought forward	3,433	3,433	–
Additions	–	–	3,433
Carried forward	3,433	3,433	3,433
Depreciation brought forward	686	343	–
Charge	343	343	343
Carried forward	1,029	686	343
Net book value	2,404	2,747	3,090

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
<i>Fixtures & equipment</i>			
Cost brought forward	75,792	73,139	61,477
Additions	22,288	2,653	11,662
Disposals	(7,348)	–	–
Acquisition of subsidiary	21,019	–	–
Carried forward	111,751	75,792	73,139
Depreciation brought forward	52,518	44,760	35,299
Charge	11,812	7,758	9,461
Eliminated on disposal	(4,725)	–	–
Acquisition of subsidiary	15,951	–	–
Carried forward	75,556	52,518	44,760
Net book value	36,195	23,274	28,379

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
<i>Motor vehicles</i>			
Cost brought forward	71,051	35,680	–
Additions	–	35,371	35,680
Carried forward	71,051	71,051	35,680
Depreciation brought forward	18,334	762	–
Charge	13,179	17,572	762
Carried forward	31,513	18,334	762
Net book value	39,538	52,717	34,918
Cost or valuation is represented by:			
	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Freehold property:			
Valuation in 2003	103,112	103,112	103,112
Cost	221,138	221,138	221,138
	324,250	324,250	324,250
Improvements to property:			
Valuation in 2003	–	–	–
Cost	3,433	3,433	3,433
	3,433	3,433	3,433
Fixtures and equipment:			
Valuation in 2003	–	–	–
Cost	111,751	75,792	73,139
	111,751	75,792	73,139
Motor vehicles			
Valuation in 2003	–	–	–
Cost	71,051	71,051	35,680
	71,051	71,051	35,680
Total:			
Valuation in 2003	103,112	103,112	103,112
Cost	407,373	371,414	333,390
	510,485	474,526	436,502

If freehold property had not been revalued it would have been included at the following historical cost:

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Cost	221,138	221,138	221,138

Freehold property was valued on an open market basis on 3 February 2003 by Michael Jeffreys Chartered Surveyors.

Assets held under finance leases and similar hire purchase contracts are as follows:

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
<i>Motor vehicles</i>			
Cost brought forward	12,185	12,185	–
Additions	–	–	12,185
Carried forward	12,185	12,185	12,185
Depreciation brought forward	3,618	762	–
Charge	2,142	2,856	762
Carried forward	5,760	3,618	762
Net book value	6,425	8,567	11,423

10. Debtors

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Trade debtors	355,158	143,886	122,738
Other debtors	6,231	203,069	30,794
Prepayments and accrued income	45,251	29,772	–
	406,640	376,727	153,532

11. Creditors: amounts falling due within one year

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Hire purchase contracts	2,200	2,640	2,640
Tax	160,950	77,690	89,003
Other taxation and social security costs	–	12,552	18,413
VAT	96,636	50,434	35,849
Proposed dividends	–	76,250	30,000
Other creditors	84,756	3,756	1,352
Directors' current accounts	47	47	47
Accrued expenses	14,400	4,751	13,588
	<hr/> 358,989	<hr/> 228,120	<hr/> 190,892

12. Creditors: amounts falling due after more than one year

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Hire purchase contracts	–	2,200	4,840
	<hr/> –	<hr/> 2,200	<hr/> 4,840

13. Obligations under hire purchase contracts

The maturity of obligations under hire purchase contracts are as follows:

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Net obligations repayable			
Within one year	2,200	2,640	2,640
In the second to fifth years	–	2,200	4,840
	<hr/> 2,200	<hr/> 4,840	<hr/> 7,480

14. Share capital

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Authorised: 10,000,000 ordinary shares of £0.10 each	1,000,000	1,000,000	1,000,000
	<i>Number</i>	<i>Number</i>	<i>Number</i>
Allotted, called up and fully paid: Ordinary shares	8,375,504	7,500,000	500,000
	<i>£</i>	<i>£</i>	<i>£</i>
Allotted, called up and fully paid: Ordinary shares	837,550	750,000	51,030

The following fully paid shares were allotted during the year at the premium shown:

- 2005: 875,504 ordinary shares of 10p each at 44p per share
- 2004: 7,000,000 ordinary shares of 10p each at 10p per share
- 2003: 499,980 ordinary shares of 10p each at 10p per share

On 13 December 2004 the Company granted 85,227 warrants to acquire shares in the Company. On 22 March 2005 a further 20,454 warrants were granted. All of the warrants are exercisable at 44p for a period of five years from the date of the grant.

15. Reserves

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
<i>Profit and loss account</i>			
Retained profit brought forward	808,677	650,432	567,781
Retained profit for the period	316,277	158,245	82,651
Retained profit carried forward	1,124,954	808,677	650,432
<i>Share premium account</i>			
Balance brought forward	–	–	18
New equity share prescribed	283,750	–	–
Balance carried forward	283,750	–	18
<i>Revaluation reserve</i>			
Balance brought forward	103,112	103,112	–
Attributable from revaluations	–	–	103,112
Balance carried forward	103,112	103,112	103,112

16. Reconciliation of movements in shareholders' funds

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Profit for the financial year	316,277	234,495	281,559
Dividends	–	(76,250)	(198,908)
	316,277	158,245	82,651
Revaluation of freehold property	–	–	103,112
Shares issued in holding company	87,550	700,000	49,999
Premium on shares issued	302,450	–	–
Costs of placing new shares issued	(18,700)	–	–
Share exchange in subsidiary company	–	(1,048)	–
Net addition to shareholders' funds	687,577	857,197	235,762
Opening shareholders' funds	1,661,789	804,592	568,830
Closing shareholders' funds	2,349,366	1,661,789	804,592
Equity interests	2,349,366	1,661,789	804,592

17. Related party transactions

All Group transactions were eliminated on consolidation.

There are no further related party transactions.

18. Ultimate controlling party

PHSC plc, incorporated in England and Wales, is the ultimate controlling party of the group. Mr SA King, managing director, is the ultimate controlling party with 43.97% of the issued share capital of PHSC plc.

19. Treasury policy and financial instruments

The Group operates informal treasury policies which include continuing assessments of interest rate management and borrowing policy. The board approves all decisions on treasury policy.

Facilities are arranged, based on criteria determined by the board, as required to finance the long term requirements of the Group. To date the Group has financed its activities by the raising of funds through the placing of shares.

The Group has taken advantage of the exemption permitting it not to include short term debtors and the disclosures required by FRS 13 'Derivatives and Other Financial Instruments: Disclosure' other than the currency disclosure.

20. Reconciliation of operating profit to net cash inflows from operating activities

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Operating profit	461,743	300,741	369,040
Depreciation charges	90,569	66,158	33,899
Loss of disposal of fixed assets	2,173	–	–
(Increase)/decrease in debtors	(29,914)	(223,197)	61,433
Increase in creditors	98,867	2,293	19,825
Net cash inflow from operating activities	623,438	145,995	484,197

21. Reconciliation of net cash flow to movement in net funds

	<i>As at 31 March 2005 £</i>	<i>As at 31 March 2004 £</i>	<i>As at 31 March 2003 £</i>
Increase/(decrease) in cash in the period	354,155	(2,228)	269,171
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	2,640	2,640	(7,480)
Change in net funds resulting from cash flows	356,795	412	261,691
Movement in net funds in the period	356,795	412	261,691
Net funds at 1 April	449,087	448,675	186,984
Net funds at 31 March	805,882	449,087	448,675

22. Analysis of changes in net funds

Year ended 31 March 2005

	<i>As at 1 April 2004 £</i>	<i>Cash flow £</i>	<i>As at 31 March 2005 £</i>
Net cash:	453,927	354,155	808,082
Cash at bank	453,927	354,155	808,082
Debt:	(4,840)	2,640	(2,200)
Hire purchase	(4,840)	2,640	(2,200)
Total	449,087	356,795	805,882

Year ended 31 March 2004

	<i>As at 1 April 2003 £</i>	<i>Cash flow £</i>	<i>As at 31 March 2004 £</i>
Net cash:	456,155	(2,228)	453,927
Cash at bank	456,155	(2,228)	453,927
Debt:	(7,480)	2,640	(4,840)
Hire purchase	(7,480)	2,640	(4,840)
Total	448,675	412	449,087

Year ended 31 March 2003

	<i>As at 1 April 2002 £</i>	<i>Cash flow £</i>	<i>As at 31 March 2003 £</i>
Net cash:	186,984	269,171	456,155
Cash at bank	186,984	269,171	456,155
Debt:	–	(7,480)	(7,480)
Hire purchase	–	(7,480)	(7,480)
Total	186,984	261,691	448,675

23. Post Balance Sheet Events

The Company acquired Adamson's Laboratory Services Limited on 17 June 2005 for cash consideration of £1,535,000, of which £225,000 is deferred, and share consideration of 160,000 Ordinary Shares in the Company at 62.5p per share.

Bank financing of £400,000 has been obtained since the year end.

In addition to the 160,000 Ordinary Shares mentioned above, since the year end the Company has issued 1,250,000 Ordinary Shares at a price of 52p per share.

Yours faithfully

CLB Corporate Finance LLP
Chartered Accountants
Registered Auditors

PART 3

SECTION B

ACCOUNTANTS' REPORT ON ADAMSON'S LABORATORY SERVICES LIMITED

The following is the text of a report received from CLB Corporate Finance LLP, reporting accountants:

The Directors
PHSC plc
The Old Church
31 Rochester Road
Aylesford
Kent
ME20 7PR



The Directors
Ruegg & Co Limited
39 Cheval Place
London
SW7 1EW

28 June 2005

Dear Sirs,

ADAMSON'S LABORATORY SERVICES LIMITED

INTRODUCTION

We report on the financial information set out below relating to Adamson's Laboratory Services Limited ("ALS"). This information has been prepared for inclusion in the AIM admission document dated 28 June 2005 ("the Admission Document") relating to the admission to trading on AIM of PHSC plc's ordinary shares.

BASIS OF PREPARATION

The financial information set out below is based on the audited financial statements of ALS for the ten months ended 28 February 2005 and the three years ended 30 April 2004, to which no adjustments were considered necessary.

The financial statements of ALS for the ten months ended 28 February 2005 and the three years ended 30 April 2004 were audited by Carlton Baker Clarke Limited, Chartered Certified Accountants and Registered Auditors, Chelmsford, Essex.

RESPONSIBILITY

Such financial statements are the responsibility of the Directors of ALS, who approved their issue.

The Directors of PHSC plc are responsible for the contents of the Admission Document in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. The evidence included audits of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to ALS, are consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud, other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

OPINION

In our opinion, the financial information contained in this report gives, for the purposes of the Admission Document drawn up in accordance with the Public Offers of Securities Regulations 1995, a true and fair view of the state of affairs of ALS as at 28 February 2005, 30 April 2004, 30 April 2003 and 30 April 2002 and of its results, cash flows and recognised gains and losses for the periods then ended.

CONSENT

We consent to the inclusion in the Admission Document of this report and accept responsibility for this report as provided for by paragraph 45(9) of Schedule 1 to the Public Offers of Securities Regulations 1995.

PROFIT AND LOSS ACCOUNT

	Notes	<i>Ten months ended 28 February 2005</i>	<i>Year ended 30 April</i>		
		£	2004 £	2003 £	2002 £
Turnover	2	1,495,245	1,373,434	1,070,476	898,017
Cost of sales		85,505	50,629	111,176	52,608
Gross profit		1,409,740	1,322,805	959,300	845,409
Administrative expenses		1,065,148	1,103,377	866,544	771,343
Operating profit	3	344,592	219,428	92,756	74,066
Interest receivable and similar income		485	91	94	87
Interest payable and similar charges	4	12,287	9,437	9,050	8,775
Profit on ordinary activities before taxation		332,790	210,082	83,800	65,378
Tax on profit on ordinary activities	5	83,253	44,793	18,276	18,248
Profit on ordinary activities after taxation		249,537	165,289	65,524	47,130
Dividends	6	84,000	90,000	60,000	54,000
Retained profit (loss) for the period		165,537	75,289	5,524	(6,870)

All operations are continuing.

Movements in equity shareholders' funds are set out in note 16.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>Ten months ended 28 February 2005</i>	<i>Year ended 30 April</i>		
	£	2004 £	2003 £	2002 £
Profit for the financial period	249,537	165,289	65,524	47,130
Unrealised gain on revaluation of freehold property	45,000	–	–	8,929
Total recognised gains and losses relating to the period	294,537	165,289	65,524	56,059

BALANCE SHEET

		<i>As at 28</i>		<i>As at 30 April</i>	
		<i>February</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
		<i>2005</i>	<i>£</i>	<i>£</i>	<i>£</i>
		<i>£</i>			<i>£</i>
Fixed assets					
Tangible assets	7	262,364	209,453	202,990	210,383
Current assets					
Stock		44,626	50,647	29,517	42,665
Debtors	8	524,744	358,949	239,532	177,745
Cash at bank and in hand		74,514	285	10,183	3,264
		643,884	409,881	279,232	223,674
Creditors: amounts falling due within one year	9	412,445	377,183	314,934	266,689
Net current assets/(liabilities)		231,439	32,698	(35,702)	(43,015)
Total assets less current liabilities		493,803	242,151	167,288	167,368
Creditors: amounts falling due after more than one year	10	38,047	–	2,258	6,743
Provisions for liabilities and charges	11	12,962	9,894	8,062	9,181
Net assets		442,794	232,257	156,968	151,444
Capital and reserves					
Called up share capital	14	5,000	5,000	5,000	5,000
Revaluation reserve	15	53,929	8,929	8,929	8,929
Profit and loss account	15	383,865	218,328	143,039	137,515
Equity shareholders' funds	16	442,794	232,257	156,968	151,444

CASH FLOW STATEMENT

	<i>Ten months ended 28 February 2005</i>	<i>Year ended 30 April</i>		
<i>Notes</i>	<i>£</i>	<i>2004 £</i>	<i>2003 £</i>	<i>2002 £</i>
Net cash inflow from operating activities				
Operating profit	344,952	219,428	92,756	74,066
Depreciation, amortisation and loss on disposals	10,748	22,241	12,730	10,517
Decrease/(increase) in stock	6,021	(21,130)	13,148	(2,135)
Increase in debtors	(163,795)	(119,417)	(61,787)	(21,339)
Increase in creditors	53,652	8,597	23,266	11,769
Net cash inflow from operating activities	249,218	109,719	80,113	72,878
Return on investments and servicing of finance				
Interest received	485	91	94	87
Interest paid	(12,287)	(9,437)	(9,050)	(8,775)
Net cash outflow from returns on investment and servicing of finance	(11,802)	(9,346)	(8,956)	(8,688)
Taxation	(42,960)	(19,397)	(15,301)	(8,547)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(18,659)	(29,373)	(5,337)	(14,375)
Proceeds from sale of tangible fixed assets	–	669	–	5,308
Net cash outflow from capital expenditure and financial investment	(18,659)	(28,704)	(5,337)	(9,067)
Dividends paid	(84,000)	(90,000)	(60,000)	(54,000)
Financing				
Loans	39,506	(4,722)	(4,058)	2,696
Increase/(decrease) in cash in the period	18	131,303	(42,450)	(13,539)
		(4,728)		

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) **Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and applicable accounting standards. There were no material departures from these standards. The financial information in this Part 3B does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

(b) **Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

(c) **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery – 15% on reducing balance

ALS's freehold property was revalued in 2005 as in note 7.

It is considered that the residual value of the property and length of its useful economic life would make depreciation immaterial. Annual impairment reviews are carried out and there are no indicators that the carrying value of the property is impaired.

(d) **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Provision is made for tax on gains arising from revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into the replacement assets and charged only to tax where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax balances are not discounted.

(f) **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

(g) **Pensions**

ALS operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2. Turnover

Turnover arises entirely within the United Kingdom.

3. Operating profit

	<i>Ten months ended 28 February 2005</i>	<i>Year ended 30 April</i>		
	<i>£</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
		<i>£</i>	<i>£</i>	<i>£</i>
This is stated after charging:				
Depreciation – owned assets	10,748	11,948	12,730	12,252
Loss/(profit) on disposal of fixed assets	–	10,293	–	(1,735)
Pension costs	8,275	7,928	6,840	5,920
Directors emoluments and other benefits	18,967	22,760	22,760	20,000

4. Interest payable and similar income

	<i>Ten months ended 28 February 2005</i>	<i>Year ended 30 April</i>		
	<i>£</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
		<i>£</i>	<i>£</i>	<i>£</i>
Bank and loan interest	12,287	9,437	9,050	8,775

5. Taxation on profit on ordinary activities

	<i>Ten months ended 28 February 2005</i>	<i>Year ended 30 April</i>		
	<i>£</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
		<i>£</i>	<i>£</i>	<i>£</i>
a) Current tax:				
UK corporation tax	80,185	42,960	19,396	15,302
Deferred taxation	3,068	1,833	(1,120)	2,946
	83,253	44,793	18,276	18,248

	<i>Ten months ended 28 February 2005 £</i>	<i>Year ended 30 April</i>		
		<i>2004 £</i>	<i>2003 £</i>	<i>2002 £</i>
b) Factors affecting the tax charge for the period				
The tax charge for the period is lower than the standard companies rate of corporation tax in the UK of 30% (2004: 19%, 2003 and 2002: 20%). The differences are explained below:				
Profit on ordinary activities before tax	332,790	210,082	83,800	65,378
Expected tax charge for UK corporation tax at the rate of 30% (2004 and 2003: 19%, 2002: 20%)	99,837	39,916	15,922	13,076
Effects of:				
Expenses not allowable for tax purposes	6,372	6,832	3,754	3,795
Capital allowances in excess of depreciation	(1,285)	(3,788)	(280)	(1,506)
Change in tax rate	–	–	–	(63)
Marginal relief for profits less than the upper limit	(24,739)	–	–	–
Total current tax charge	80,185	42,960	19,396	15,302

The amount of tax that has not been provided on the revalued fixed assets is £16,179 (2004: £1,697, 2003: £1,759 and 2002: £nil). At present it is not envisaged that any tax will become payable in the foreseeable future.

6. Dividends

	<i>Ten months ended 28 February 2005 £</i>	<i>Year ended 30 April</i>		
		<i>2004 £</i>	<i>2003 £</i>	<i>2002 £</i>
Final	84,000	90,000	60,000	54,000

7. Tangible fixed assets

	<i>As at 28 February 2005</i>	<i>2004</i>	<i>As at 30 April 2003</i>	<i>2002</i>
	£	£	£	£
Total				
Cost				
Brought forward	324,639	316,741	311,404	293,045
Additions	18,659	29,373	5,337	14,375
Revaluations	45,000	–	–	8,929
Disposals	–	(21,475)	–	(4,945)
Carried forward	388,298	324,639	316,741	311,404
Depreciation				
Brought forward	115,186	113,751	101,021	90,141
Charge	10,748	11,948	12,730	12,252
On disposals	–	(10,513)	–	(1,372)
Carried forward	125,934	115,186	113,751	101,021
Net book value	262,364	209,453	202,990	210,383

	<i>As at 28 February 2005</i>	<i>2004</i>	<i>As at 30 April 2003</i>	<i>2002</i>
	£	£	£	£
Land and buildings				
Cost				
Brought forward	130,000	130,000	130,000	121,071
Revaluations	45,000	–	–	8,929
Carried forward	175,000	130,000	130,000	130,000
Depreciation				
Brought forward and carried forward	–	–	–	–
Net book value	175,000	130,000	130,000	130,000

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Plant & machinery</i>				
Cost				
Brought forward	194,639	186,741	181,404	171,974
Additions	18,659	29,373	5,337	14,375
Disposals	–	(21,745)	–	(4,945)
Carried forward	213,298	194,639	186,741	181,404
Depreciation				
Brought forward	115,186	113,751	101,021	90,141
Charge	10,748	11,948	12,730	12,252
On disposals	–	(10,513)	–	(1,372)
Carried forward	125,934	115,186	113,751	101,021
Net book value	87,364	79,453	72,990	80,383

Cost or revaluation at the balance sheet date is represented by:

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Total</i>				
Revaluation in 2002	8,929	8,929	8,929	8,929
Revaluation in 2005	45,000	–	–	–
Cost	334,369	315,710	307,812	302,475
	388,298	324,639	316,741	311,404

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Land and buildings</i>				
Revaluation in 2002	8,929	8,929	8,929	8,929
Revaluation in 2005	45,000	–	–	–
Cost	121,071	121,071	121,071	121,071
	175,000	130,000	130,000	130,000

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Plant and machinery</i>				
Cost	213,298	194,639	186,741	181,404

If freehold property had not been revalued it would have been included at the following historical cost:

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Land and buildings</i>				
Cost	121,071	121,071	121,071	121,071

The freehold property was valued on an open market basis on 17 May 2005 and 7 August 2002 by Messrs. Porter Glenny, Chartered Surveyors.

8. Debtors

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Trade debtors	505,894	337,581	225,531	165,047
Other debtors	18,850	21,368	14,001	12,698
	524,744	358,949	239,532	177,745

9. Creditors: amounts falling due within one year

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Bank loans and overdrafts	3,171	58,786	28,698	7,813
Trade creditors	24,237	35,350	54,868	39,695
Corporation tax	80,185	42,960	19,396	15,302
Other taxation and social security costs	80,719	50,594	67,717	66,006
Other creditors	224,133	189,493	144,255	137,873
	412,445	377,183	314,934	266,689

The following amounts were due to GMAC Commercial Credit Limited, a debt factoring company. These balances are secured on ALS's trade debtors.

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Included in:				
Other creditors	170,719	92,479	78,415	58,942

10. Creditors: amounts falling due after more than one year

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Bank loans	38,047	–	2,258	6,743

Amounts falling due in more than five years:

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Repayable by instalments				
Bank loans more than five years by instalments	22,602	–	–	–

11. Provisions for liabilities and charges

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Deferred taxation	12,962	9,894	8,062	9,181

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Opening balance	9,894	8,062	9,181	6,235
Accelerated capital allowances	3,068	1,832	667	1,160
Revaluation reserve	–	–	(1,786)	1,786
Closing balance	12,962	9,894	8,062	9,181

12. Operating lease commitments

The following lease payments are committed to be paid within one year:

	<i>As at 28 February 2005</i>	<i>2004</i>	<i>As at 30 April 2003</i>	<i>2002</i>
	£	£	£	£
Expiring:				
Between one and five years	96,993	117,306	76,207	67,908

13. Secured debts

The following secured debts are included within creditors:

	<i>As at 28 February 2005</i>	<i>2004</i>	<i>As at 30 April 2003</i>	<i>2002</i>
	£	£	£	£
Bank overdraft	–	57,074	24,522	4,064
Bank loans	41,218	1,712	6,434	10,492
	41,218	58,786	30,956	14,556

The bank overdraft facility and loan are secured by a charge over ALS's assets and a personal guarantee given by one of the directors.

14. Share capital

	<i>As at 28 February 2005</i>	<i>2004</i>	<i>As at 30 April 2003</i>	<i>2002</i>
	£	£	£	£
Authorised:				
20,000 Ordinary shares of £1	20,000	20,000	20,000	20,000
Allotted, issued and fully paid:				
5,000 Ordinary shares of £1	5,000	5,000	5,000	5,000

15. Reserves

	<i>As at 28 February 2005</i>	<i>2004</i>	<i>As at 30 April 2003</i>	<i>2002</i>
	£	£	£	£
Total				
Brought forward	227,257	151,968	146,444	144,385
Retained profit/(loss) for the period	165,537	75,289	5,524	(6,870)
Revaluation in the period	45,000	–	–	8,929
Carried forward	437,794	227,257	151,968	146,444

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Profit and loss account</i>				
Brought forward	218,328	143,039	137,515	144,385
Retained profit/(loss) for the period	165,537	75,289	5,524	(6,870)
Carried forward	383,865	218,328	143,039	137,515

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
<i>Revaluation reserve</i>				
Brought forward	8,929	8,929	8,929	–
Revaluation in the period	45,000	–	–	8,929
Carried forward	53,929	8,929	8,929	8,929

16. Reconciliation of movements in shareholders' funds

	<i>As at 28 February 2005 £</i>	<i>2004 £</i>	<i>As at 30 April 2003 £</i>	<i>2002 £</i>
Profit for the financial period	249,537	165,289	65,524	47,130
Dividends	(84,000)	(90,000)	(60,000)	(54,000)
Revaluation of land and buildings	45,000	–	–	8,929
Net increase in shareholders' funds	210,537	75,289	5,524	2,059
Opening shareholders' funds	232,257	156,968	151,444	149,385
Closing shareholders' funds	442,794	232,257	156,968	151,444

17. Related party transactions

Until its acquisition by PHSC plc on 17 June 2005, ALS was ultimately controlled by its directors.

During the periods under review there were no material transactions with related parties, as defined by Financial Reporting Standard No. 8.

18. Reconciliation of net cash to movement in net funds/(debt)

	<i>Opening balance</i> £	<i>Cash inflow/ (outflow)</i> £	<i>Closing balance</i> £
Ten months ended 28 February 2005	(58,501)	91,797	33,296
Year ended 30 April 2004	(20,773)	(37,728)	(58,501)
Year ended 30 April 2003	(11,292)	(9,481)	(20,773)
Year ended 30 April 2002	(3,868)	(7,424)	(11,292)

	<i>Opening balance</i> £	<i>Cash inflow/ (outflow)</i> £	<i>At period end</i> £
<i>Analysis in changes in net funds</i>			
<i>Ten months ended 28 February 2005</i>			
Cash at bank and in hand	285	74,229	74,514
Bank overdraft	(57,074)	57,074	–
	(56,789)	131,303	74,514
Due within one year Bank loans	(1,712)	(1,459)	(3,171)
Due after one year Bank loans	–	(38,047)	(38,047)
Total	(58,501)	91,797	33,296

	<i>Opening balance</i> £	<i>Cash inflow/ (outflow)</i> £	<i>At period end</i> £
<i>Year ended 30 April 2004</i>			
Cash at bank and in hand	10,183	(9,898)	285
Bank overdraft	(24,522)	(32,552)	(57,074)
	(14,339)	(42,450)	(56,789)
Due within one year Bank loans	(4,176)	2,464	(1,712)
Due after one year Bank loans	(2,258)	2,258	–
Total	(20,773)	(37,728)	(58,501)

	<i>Opening balance</i> £	<i>Cash inflow/ (outflow)</i> £	<i>At period end</i> £
<i>Year ended 30 April 2003</i>			
Cash at bank and in hand	3,264	6,919	10,183
Bank overdraft	(4,064)	(20,458)	(24,522)
	(800)	(13,539)	(14,339)
Due within one year Bank loans	(3,749)	(427)	(4,176)
Due after one year Bank loans	(6,743)	4,485	(2,258)
Total	(11,292)	(9,481)	(20,773)

	<i>Opening balance</i> £	<i>Cash inflow/ (outflow)</i> £	<i>At period end</i> £
<i>Year ended 30 April 2002</i>			
Cash at bank and in hand	3,928	(664)	3,264
Bank overdraft	–	(4,064)	(4,064)
	3,928	(4,728)	(800)
Due within one year Bank loans	(7,796)	4,047	(3,749)
Due after one year Bank loans	–	(6,743)	(6,743)
Total	(3,868)	(7,424)	(11,292)

Yours faithfully

CLB Corporate Finance LLP
Chartered Accountants
Registered Auditors

PART 3

SECTION C

UNAUDITED PRO-FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro-forma consolidated statement of net assets of the Group which has been prepared for illustrative purposes only to show the effect of the issue of shares and the acquisition of ALS since 31 March 2005 and Admission had the issue of shares and the acquisition of ALS and Admission occurred on 31 March 2005. The pro-forma statement of net assets has been prepared for illustrative purposes only, and because of its nature it may not give a true reflection of the Group's financial position or results.

	<i>PHSC net assets as at 31 March 2005 (Note 1) £</i>	<i>ALS net assets as at 28 February 2005 (Note 2) £</i>	<i>Acquisition of ALS (Note 3) £</i>	<i>Issue of shares (Note 4) £</i>	<i>Costs of AIM admission (Note 5)</i>	<i>Unaudited pro-forma adjusted net assets of the Group on admission to AIM £</i>
Fixed assets						
Intangible assets	1,104,216	–	1,192,206	–	–	2,296,422
Tangible assets	389,417	262,364	–	–	–	651,781
	1,493,633	262,364	1,192,206	–	–	2,948,203
Current assets						
Stock	–	44,626	–	–	–	44,626
Debtors	406,640	524,744	–	–	–	931,384
Cash at bank and in hand	808,082	74,514	(1,085,000)	617,000	(166,562)	248,034
	1,214,722	643,884	(1,085,000)	617,000	(166,562)	1,224,044
Creditors: amounts falling due within one year	(358,989)	(412,445)	(72,593)	–	–	(844,027)
Net current assets	855,733	231,439	(1,157,593)	617,000	(166,562)	380,017
Total assets less current liabilities	2,349,366	493,803	34,613	617,000	–	3,328,220
Creditors: amounts falling due after more than one year	–	(38,047)	(377,407)	–	–	(415,454)
Provisions for liabilities and charges	–	(12,962)	–	–	–	(12,962)
	2,349,366	442,794	(342,794)	617,000	(166,562)	2,899,804

Notes

The pro-forma statement of net assets has been prepared on the following bases:

1. The net assets of PHSC as at 31 March 2005 have been extracted without adjustment from the audited financial information included in Part 3A of this document.
2. The net assets of ALS as at 28 February 2005 have been extracted without adjustment from the audited financial information included in Part 3B of this document.

3. An adjustment has been made to reflect the purchase of ALS on 17 June 2005 for cash consideration of £1,535,000 and share consideration of 160,000 Ordinary Shares in PHSC at 62.5p per share and to reflect the estimated goodwill on acquisition and related bank financing of £400,000. The cash consideration includes two deferred payments totalling £225,000, of which £175,000 has been placed in an escrow account by PHSC. The remainder of the deferred consideration of £50,000 is within creditors due after more than one year.
4. An adjustment has been made to reflect the issue of 1,250,000 Ordinary Shares in PHSC at a price of 52p per Ordinary Share and the net proceeds of the issue of £617,000 (net of estimated expenses of £33,000).
5. An adjustment has been made to reflect the estimated costs of admission to AIM of £166,562 inclusive of VAT.
6. No adjustments have been made to reflect the trading or other transactions of PHSC since 31 March 2005, and no adjustments have been made to reflect the trading or other transactions of ALS since 28 February 2005.
7. The pro-forma statement of net assets does not constitute financial statements within the meaning of section 240 of the Act.

PART 4

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated in England and Wales as a public company on 8 December 2000 with the name PHSC plc and with registered number 4121793 under the Act. The principal legislation under which the Company operates is the Act and the regulations made thereunder. The liability of the members of the Company is limited.
- 1.2 On 16 June 2003 the Company received a certificate pursuant to the provisions of section 117(2) of the Act entitling it to do business and borrow.
- 1.3 The Company's registered office and principal place of business is in the UK and is located at The Old Church, 31 Rochester Road, Aylesford, Kent ME20 7PR.
- 1.4 The Company's shares were admitted to trading on Ofex on 3 June 2003. An announcement was made on 17 June 2005 stating the Company's intention to withdraw its Ordinary Shares from Ofex on 30 June 2005.

2. The Company and its Share Capital

- 2.1 The Company was incorporated with an authorised share capital of £50,000 divided into 50,000 Ordinary Shares of £1 each.
- 2.2 On 26 March 2003 the Company passed a special resolution authorising the conversion of the Company's authorised share capital of 50,000 ordinary shares of £1 each into 500,000 ordinary shares of 10p each. The authorised share capital was, on the same date, by a further special resolution, increased to 10,000,000 ordinary shares of 10p each.
- 2.3 The authorised and issued share capital of the Company as at the date of this document and immediately following Admission are and will be as follows:

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
1,500,000	15,000,000	Ordinary Shares of 10p each	978,550.40	9,785,504

- 2.4 By ordinary and special resolutions passed at the Company's annual general meeting on 27 June 2005 it was resolved that:
- (a) the authorised share capital of the Company be increased from £1,000,000 to £1,500,000 by the creation of 5,000,000 ordinary shares of 10 pence each in the capital of the Company;
- (b) the directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal amount of £537,450 until 26 June 2010, but so that this authority allows the Company to make, before the expiry of this authority, offers or agreements that would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry the directors may allot relevant securities in pursuance of such offers or agreements;
- (c) all authorities previously conferred under the said section 80 be revoked, provided that such revocation shall not have retrospective effect;
- (d) the directors be empowered, pursuant to section 95 of the Companies Act 1985 (the "Act"), to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority given in accordance with section 80 of the Act by paragraph (b) above as if section 89(1) of the Act did not apply to any such allotment, such power to expire on 26 June 2010, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be

allotted after such expiry and notwithstanding such expiry the directors may allot equity securities in pursuance of such offers or agreements; and

- (e) all authorities previously conferred under section 95 of the Act, and any other authority previously conferred in relation to the dispensing of statutory rights of pre-emption, be revoked, provided that such revocation shall not have retrospective effect.
 - (f) subject to and conditional upon admission of the Ordinary Shares of the Company to trading on AIM on or before 30 September 2005, the Company be generally and unconditionally authorised, in accordance with section 166 of the Companies Act 1985 (the “Act”), to make market purchases (within the meaning of section 163 of the Act) of Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:
 - (i) the maximum number of Ordinary Shares authorised to be purchased shall be 1,443,825;
 - (ii) the minimum price which may be paid for an Ordinary Share is 10 pence;
 - (iii) the maximum price which may be paid for an Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share (as derived from the Daily Official List) for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased;
 - (iv) the minimum and maximum prices per Ordinary Share referred to in sub-paragraphs (ii) and (iii) above are in each case exclusive of any expenses payable by the Company;
 - (v) the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company in 2006 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution, unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; and
 - (vi) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority.
- 2.5 The provisions of section 89(1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act) confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid in cash, and apply to the authorised but unissued share capital of the Company to the extent not disapplied as described in this paragraph 2. Subject to certain limited exceptions, unless the approval of Shareholders in a general meeting is obtained, the Company must normally offer Ordinary Shares to be issued for cash to holders of Ordinary Shares on a pro rata basis.
- 2.6 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.7 The Ordinary Shares will rank in full for all dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company.
- 2.8 Save for the exercise of the warrants as described in paragraphs 2.9 and 2.10 below, and the issue of Ordinary Shares as part of the deferred consideration for the acquisition of RSA as described in paragraph 10.2 below, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.
- 2.9 The Company issued 85,227 warrants to Ruegg & Co on 13 December 2004 and 20,454 warrants to Ruegg & Co on 22 March 2005. These are exercisable and convertible on the basis of one Ordinary Share for one warrant at a price of 44 pence per Ordinary Share within five years from the date of issue. These warrants are still outstanding.

2.10 The Company has also agreed to grant to Ruegg & Co, conditional on Admission, warrants to subscribe for 57,692 Ordinary Shares. This forms part of Ruegg & Co's arrangement fee in respect of its appointment as adviser in relation to Admission. These warrants are exercisable at 52p per share at any time for 5 years from the date of Admission.

2.11 Except as stated in this Part 4:

- (a) the Company does not have in issue any securities not representing share capital;
- (b) there are no outstanding convertible securities issued by the Company; and
- (c) no share capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

3. Directors' Interests

3.1 Share Capital

- (a) The interests of the Directors and their immediate families and of persons connected with them within the meaning of section 346 of the Act in the issued share capital of the Company as of the date of this document which have been notified to the Company pursuant to section 324 of the Act and are required to be entered in the Register of Directors' Interests maintained under section 325 of the Act (or could, with reasonable diligence, be ascertained by the Directors) currently and as they are expected to be immediately following Admission are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Graham Webb	19,500	0.2
Stephen King	3,682,549	37.63
Nicola Coote	3,540,395	36.18
Michael Miller	nil	nil

Of each of Stephen King's and Nicola Coote's holdings as stated, 60,455 Ordinary Shares are held beneficially for each of them by Hargreaves Lansdown (Nominees) Limited.

Of the Ordinary Shares in which Stephen King is interested as stated above, 12,101 are held by his wife Susan King.

Of the Ordinary Shares in which Nicola Coote is interested as stated above, 5,000 are held by her husband Ian Scott.

In addition to the above, Stephen King, Nicola Coote and Hazell Carr Pension Services Ltd jointly hold 20,000 Ordinary Shares in trust for a self administered pension scheme for Stephen King and Nicola Coote who are currently the only beneficiaries of the scheme.

- (b) Save as disclosed in paragraphs 2.9 and 2.10 above, no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) Save as disclosed in paragraph 3.1(a), immediately following Admission, no Director nor any member of their respective families, nor any person connected with them within the meaning of section 346 of the Act, is expected to have any interest in any share capital of the Company.
- (d) Save as disclosed in this document, none of the Directors has, or has had, any interest, whether direct or indirect, in any transaction effected by the Company since its incorporation which is or was unusual in its nature or conditions or which is or was significant to the business of the Company taken as a whole.

3.2 Directors' Other Interests

- (a) The Directors currently hold (in addition to their directorships of the Company) the following directorships and have held the following directorships within the five years prior to the publication of this document:

Stephen King

<i>Current</i>	<i>Previous</i>
Personnel Health & Safety Consultants Limited (2485626)	None
Personnel Health & Safety Consultants (Northern) Limited (3043389)	
Personnel Health & Safety Consultants (Southern) Limited (3043392)	
Personnel Health & Safety Consultants (Midlands) Limited (3043403)	
Counterclaim UK Limited (4119535)	
RSA Environmental Health Limited (3293551)	
Adamson's Laboratory Services Limited (1946049)	

Nicola Coote

<i>Current</i>	<i>Previous</i>
Personnel Health & Safety Consultants Limited (2485626)	None
Personnel Health & Safety Consultants (Northern) Limited (3043389)	
Personnel Health & Safety Consultants (Southern) Limited (3043392)	
Personnel Health & Safety Consultants (Midlands) Limited (3043403)	
Counterclaim UK Limited (4119535)	
RSA Environmental Health Limited (3293551)	
Adamson's Laboratory Services Limited (1946049)	

Graham Webb

<i>Current</i>	<i>Previous</i>
Graham Webb (Salons) Limited (1217219)	Gelmore Limited (3149744)
The Webb Press Limited (5217513)	Graham Webb (Overseas) Limited (1761060)
	GWI (Distribution) Limited (3796177)
	British Training International (3485751)
	BTI Charitable Trust (3844067)
	The National Youth Jazz Orchestra Limited (1334250)

Michael Miller

<i>Current</i>	<i>Previous</i>
None	Target Trade Finance Limited (4252652)

- (b) British Training International, of which Graham Webb was a director, went into members' voluntary liquidation on 31 May 2001. British Training International was dissolved on 19 September 2002. There was no shortfall owing to creditors.
- (c) Graham Webb was also a director of The Learning and Business Link Company Limited which went into members' voluntary liquidation on 27 September 2001. The Learning and Business Link Company Limited is still in liquidation. It is currently solvent and has not yet been dissolved. Graham Webb resigned as director of The Learning and Business Link Company on 10 September 1999.
- (d) Save as disclosed above, none of the Directors:
 - (i) has any unspent convictions in relation to indictable offences; or
 - (ii) has become or been declared bankrupt or entered into or been the subject of any individual voluntary arrangement with his creditors; or
 - (iii) has been a director of any company at the time of or within the 12 months preceding the date of its compulsory liquidation, creditors' voluntary liquidation, receivership, administration, voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditor; or
 - (iv) has been a partner in a partnership at the time of or within the 12 months preceding the date of its compulsory liquidation, administration or voluntary arrangement of that partnership or the receivership of any assets; or
 - (v) has had any asset which has been subject to a receivership or has been a partner in a partnership at the time of or within 12 months preceding the date of an asset of the partnership being subject to a receivership; or
 - (vi) has been publicly criticised by any statutory or regulatory authority (including a recognised professional body) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

3.3 *Service Agreements*

- (a) Stephen King has entered into a service agreement with the Company dated 27 June 2005 whereby he has agreed to act as managing director with effect from 1 April 2005 for an initial period of one year. The service agreement is terminable on not less than six months' notice given by either party to the other, such notice to expire on or after 1 April 2006. The service agreement contains provisions for early termination, *inter alia*, in the event of breach by Stephen King. The current basic salary payable under the service agreement is £62,400 per annum. Stephen King may be paid from time to time such additional salary by way of bonus as the Directors may determine. In addition, Stephen King has the right to a company car if required.
- (b) Nicola Coote has entered into a service agreement with the Company dated 27 June 2005 whereby she has agreed to act as director with effect from 1 April 2005 for an initial period of one year. The service agreement is terminable on not less than six months' notice given by either party to the other, such notice to expire on or after 1 April 2006. The service agreement contains provisions for early termination, *inter alia*, in the event of breach by Nicola Coote. The current basic salary payable under the service agreement is £50,000 per annum. Nicola Coote may be paid from time to time such additional salary by way of bonus as the Directors may determine. In addition, Nicola Coote has the right to a company car if required.
- (c) Graham Webb has entered into a letter of appointment with the Company dated 27 June 2005 whereby he has agreed to act as non-executive director with effect from 1 April 2005 until 31 March 2007. His fees are £18,000 per annum. His appointment is terminable by either party on giving one month's notice or by the Company without notice in the event of breach by Graham Webb. If his appointment is terminated for any reason other than by reason of Graham giving such one month's

notice, or his breaching the agreement, Graham is entitled to a compensation payment equivalent to six months' fees.

- (d) Mike Miller has entered into a letter of appointment with the Company dated 27 June 2005 whereby he has agreed to act as non-executive director with effect from 1 June 2005 for an initial period of two years. His fees are £10,000 per annum. Mike's appointment is terminable by either party on giving one month's notice or by the Company without notice in the event of breach by Mike Miller. If his appointment is terminated for any reason other than by reason of Michael giving such one month's notice, or his breaching the agreement, Mike is entitled to a compensation payment equivalent to three months' fees.

Save as disclosed above, no Director has a service agreement with the Company that has been entered into or varied within six months prior to the date of this document or which is a contract expiring, or determinable by the Company without payment of compensation, within one year.

3.4 *Remuneration*

The aggregate remuneration of the Directors for the 12 month period ended 31 March 2005, including benefits in kind, was £83,004. The aggregate remuneration of the Directors, including benefits in kind, for the financial period ending 31 March 2006 under the arrangements currently in force is expected to amount to £140,600.

3.5 *Loans*

There are no outstanding loans granted by the Company to any Director nor has any guarantee been provided by the Company for the benefit of any Director.

4. **Substantial Shareholders**

- 4.1 In addition to the interests of the Directors disclosed in paragraph 3 above, insofar as is known to the Company and the Directors as at the latest practicable date prior to the publication of this document, the following persons are currently and will, immediately following Admission, be interested, directly or indirectly, jointly or severally, in 3 per cent. or more of the Company's issued share capital or exercise or could exercise control over the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Marlborough UK Equity Growth Fund	350,000	3.58

- 4.2 Other than as disclosed in this document, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

5. **Memorandum and Articles of Association**

The Memorandum of Association of the Company provides that the Company's principal objects are to carry on business as a general commercial company and to carry out the other objects more particularly set out in clause 4 of the Memorandum of Association.

The Articles of Association of the Company (the "Articles") adopted by special resolution on 26 March 2003 contain, *inter alia*, provisions to the following effect:

- (a) **Voting rights** – Subject to any special terms as to voting on which any shares may have been issued or may from time to time be held, at a general meeting of the Company every member who is present in person shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for each share of which he is a holder. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Unless the Board otherwise determines, no member is entitled to vote at a general meeting, either in person or by proxy, or to exercise any other right conferred by membership unless all calls presently payable by him in respect of that share have been paid to the Company, or if he, or any other person appearing to be interested in such shares, has been issued with a notice pursuant to section 212 of the Act (requiring disclosure of interests in shares) and has failed in relation to any such shares to give the Company the information required by such notice within 14 days.

- (b) **Dividends** – Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

Subject to the provision of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and shall revert to the Company.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company.

The Board may also, subject to the approval of the Company at any annual general meeting, offer to holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of the whole or some part of any dividend declared or proposed to be declared at that annual general meeting or proposed to be declared at that annual general meeting or at any time prior to the next annual general meeting.

- (c) **Distribution of assets on a winding-up** – If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by law, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the dividend shall be carried out as between the members or vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.
- (d) **Transfer of shares** – Every member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee's name is entered in the register of members.

The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a share unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of only one class of shares;
- (iii) it is in favour of not more than four joint transferees;
- (iv) it is duly stamped (if so required); and
- (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of

a transfer by a recognised person (as defined in the Articles) where a certificate has not been issued) by the certificate for the shares to which it relates.

In exceptional circumstances approved by the London Stock Exchange, approval of transfers of fully paid certificated shares may be refused by the Board, provided such refusal does not disturb the market.

The Directors may also refuse to register a transfer of shares if the transferor or any other person appearing to be interested in the transferor's shares has been duly served with a notice under section 212 of the Act, has failed to supply the information required by such notice within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. of their class.

- (e) **Variation of rights** – If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class. The quorum at any such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class in question and at an adjourned meeting not less than one person holding shares of the class in question or his proxy.

Subject to the terms of issue of or rights attached to any shares, the rights attached to any class of shares having preferential rights shall not be deemed varied by the creation or issue of further shares ranking as regards participation in the profits of the assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

- (f) **Borrowing powers** – The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Board shall restrict the borrowings of the Company, and shall exercise all voting and other rights and powers of control exercisable by the Company in relation to its subsidiary undertakings, so as to procure (as far as it can in relation to its subsidiary undertakings) that the aggregate principal amount outstanding in respect of moneys borrowed by the Group does not at any time, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to three times adjusted total capital and reserves.
- (g) **Changes in capital** – Subject to the provisions of the Act, the Company in general meeting may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled and sub-divide all or any of its shares into shares of smaller amount. The Company may also, subject to the provisions of the Act and to any rights for the time being attached to any shares, purchase its own shares and, by special resolution, reduce its share capital or any capital redemption reserve or any share premium account in any way.
- (h) **Issue of shares** – Subject to the provisions of the Act, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or is liable to be, redeemed at the option of the Company or the holder in accordance with the Articles. Subject to the Act and to any relevant authority of the Company in general meeting required by the provisions of the Act, the unissued shares at the date of adoption of the Articles and any shares created thereafter shall be at the disposal of the Board.
- (i) **Remuneration of Directors** – The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the

resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally.

The Directors are entitled to be repaid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

- (j) **Restrictions on Directors' voting** – Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:
- (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) any proposal concerning any other body corporate in which he (together with persons connected with him) does not to his knowledge have an interest (as the term is used in sections 198 to 211 of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;
 - (v) any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
 - (vi) any arrangement concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or employees or for the benefit of persons who include Directors.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

The Company may, subject to the Act, by ordinary resolution suspend or relax the above provisions, either generally or in respect of any particular matter, or ratify any transaction not duly authorised by reason of a contravention of such provisions.

- (k) **Age of Directors** – The Articles do not contain any provision to exclude the operation of section 293 of the Act and accordingly special notice will be required of any resolution appointing or approving the appointment of a Director who has attained the age of 70.
- (l) **Number of Directors** – Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two nor more than fifteen.
- (m) **Directors' appointment and retirement by rotation** – Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until

the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation. A director shall not be required to hold any shares in the Company.

At each annual general meeting of the Company one-third of the Directors who are subject to retirement by rotation will retire by rotation and be eligible for re-election. Subject to the Act and to the Articles, the Directors to retire will, first, be any Director who wishes to retire and not offer himself for re-election and secondly, will be those who have been longest in office since their last appointment or re-appointment, but as between those who have been in office an equal length of time, those to retire shall (unless they otherwise agree) be determined by lot.

- (n) **Untraced shareholders** – Subject to the Articles, the Company may sell any shares in the Company registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

6. The Group

- 6.1 The Company is the holding company of a group of companies whose principal activities are health, safety and environmental consultancy and training.
- 6.2 The Company's principal subsidiaries are PHSC, RSA and ALS, all of which are 100% owned by the Company and all of which are incorporated in the UK.

The registered office of these companies is in each case at The Old Church, 31 Rochester Road, Aylesford, Maidstone, Kent ME20 7PR.

The Company is also the 100% owner of the following dormant companies: Counterclaim UK Limited, Personnel Health & Safety Consultants (Northern) Limited, Personnel Health & Safety Consultants (Midlands) Limited and Personnel Health & Safety Consultants (Southern) Limited.

7. Working Capital

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Group will, from Admission, be sufficient for its present requirements, that is for at least the next twelve months.

8. UK Taxation

The following is a summary of advice received by the Company and is intended only as a general guide to certain aspects of United Kingdom law and HM Revenue & Customs ("Revenue") practice relating to the taxation of dividends, disposals and other matters at the date of this document. Persons who may be subject to tax in jurisdictions other than the United Kingdom or who are in any doubt as to their tax position should consult their professional advisers without delay.

8.1 Individuals in respect of dividends

Individuals resident for tax purposes in the United Kingdom are generally entitled to a tax credit in respect of any dividend received equal to one-ninth of the amount of the dividend. Such an individual's liability to United Kingdom income tax is calculated on the sum of the dividend and the tax credit (the "gross dividend") which, with certain other investment income, will be regarded as the top slice of the individual's income and which will be subject to UK income tax at special rates of tax as described below. The tax credit therefore equals 10 per cent. of the gross dividend. The tax credit will be available to set against such individual liability (if any) to income tax on the gross dividend.

Individuals liable to tax at the lower or basic rate will be liable to tax on dividend income received at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy the income tax liability of a UK resident individual liable to pay income tax at the lower or basic rate.

The rate of income tax applied to UK company dividends received by UK resident individuals liable to income tax at the higher rate will be 32.5 per cent. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend.

Individuals who are resident in the UK cannot claim repayment of the tax credit from the Revenue.

8.2 *Trustees in respect of dividends*

UK resident trustees of discretionary trusts are liable to income tax on UK company dividends at 32.5 per cent. of the gross dividend. After taking into account the 10 per cent. tax credit, the trustees will be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend.

8.3 *Corporations in respect of dividends*

A corporation resident for tax purposes in the United Kingdom and tax exempt pension funds will not normally be liable to corporation tax on any dividend received but cannot reclaim from the Revenue tax credits attaching to dividend payments on UK equities.

8.4 *Non-resident individuals in respect of dividends*

Non-UK resident individuals should consult their own advisers concerning their tax liabilities on dividends received. They should note that they will not be entitled to claim repayment of any part of their tax credit from the Revenue under any double taxation treaty or otherwise.

8.5 *Taxation of Shareholders on a disposal of Ordinary Shares*

Any gains on a disposal (which includes a disposal on a winding-up) of Ordinary Shares by a UK resident or ordinarily resident Shareholders may give rise to a liability to UK taxation on capital gains. An individual will be taxed on such a gain at 10 per cent., 20 per cent. or 40 per cent. for gains below the starting rate limit, between the starting rate limit and the basic rate limit and above the basic rate limit respectively, but this may be reduced by the annual exemption (£8,500 for the tax year 2005-2006) and taper relief, which will reduce the amount of chargeable gain according to how long (measured in complete years) the Ordinary Shares have been held. Corporate Shareholders may be entitled to an indexation allowance.

Shareholders who are not resident or ordinarily resident in the UK for the purposes of UK taxation will not normally be liable to UK taxation on chargeable gains arising from a disposal of their Ordinary Shares unless they carry on a trade or profession or vocation in the UK through a branch or agency in connection with which Ordinary Shares are held. However such Shareholders may be subject to foreign taxation depending on their personal circumstances.

8.6 *Stamp duty and stamp duty reserve tax*

Any transfer of Ordinary Shares will be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) or (if an unconditional agreement to transfer the Ordinary Shares is not completed by a duly stamped transfer) stamp duty reserve tax of 0.5 per cent. of the actual consideration paid. Liability to pay any stamp duty or stamp duty reserve tax is generally that of the transferee.

Special rules apply to agreements made by market makers and broker-dealers in the ordinary course of their business.

Paperless transfers of Ordinary Shares within CREST are liable to stamp duty reserve tax (usually at the rate of 0.5 per cent. of the actual consideration paid) rather than stamp duty and stamp duty reserve tax on relevant transactions settled within the system or reported through it for regulatory purposes is collected by CREST.

Any investors who are in any doubt as to their tax position should consult their professional adviser immediately.

9. **Litigation**

There are, and have been, no legal or arbitration proceedings by or against any member of the Group (including any such proceedings which are pending or threatened of which the Company is aware) which may have or are having a significant effect on the financial position of the Group.

10. **Material Contracts**

The following contracts, not being contracts entered into by the Company or its subsidiary undertakings in the ordinary course of business, have been entered into by the Company or its subsidiary undertakings within the two years preceding the date of this document and are, or may be, material:

10.1 *ALS Acquisition Agreement*

Under the ALS Acquisition Agreement dated 17 June 2005, the Company acquired the entire issued share capital of ALS from Jane Adamson, Matthew Goldsmith and Gary Meades. Under the terms of the agreement the following is payable as consideration:

- (a) £1,310,000 in cash on completion (subject to adjustment on a pound for pound basis if ALS's net assets as at 28 February 2005 were more or less than £445,000);
- (b) such number of Ordinary Shares as have a value of £100,000, by reference to the average middle market price of such shares on each of the seven dealing days prior to the second dealing day prior to completion;
- (c) £125,000 in cash one year from completion;
- (d) £100,000 in cash two years from completion; and
- (e) 5% of turnover attributable to sales by the Company made to existing customers and to customers introduced by Jane Adamson, Matthew Goldsmith and/or Phil Firmin which are in excess of £1,800,000 in the 12 month period from completion and in the 12 month period from the anniversary of completion, payable 30 days from the first and second anniversaries of completion.

The payments at (a) and (b) have been satisfied by the payment of £1,307,794 in cash (being the payment required under (a) adjusted by £2,206 to reflect net assets of £442,794) and the issue to the sellers of 160,000 Ordinary Shares.

The Company has placed £175,000 of the amounts payable at (c) and (d) above in an escrow account held by the Company's solicitors.

The sellers have agreed not to dispose of shares in the Company issued to them within 12 months of them being entered into the register of members of the Company, and for a period of 24 months thereafter other than through the Company's broker.

Jane Adamson, Matthew Goldsmith and Gary Meades provided to the Company warranties in respect of ALS and its business and an indemnity covering losses caused by breach of certain warranties. A claim under the warranties may be made until two years from completion (in the case of non-tax warranties) and seven years from completion (in the case of tax warranties). The ability to claim under the indemnity is unlimited in time. A tax covenant was also provided under which the sellers of ALS agreed to pay to the Company amounts equal to certain unpaid tax liabilities arising prior to completion. Claims under the tax covenant must be brought within seven years from completion.

Restrictive covenants were given by the sellers of ALS whereby they agreed that for two years after completion they would not compete with the business and would not solicit customers or employees of ALS.

The purchase price will be reduced (by way of reductions to payments at (c) and (d) above) by an amount equal to any amount owed to the Company and listed in a schedule to the disclosure letter at completion which has not been received within 12 months of completion. Any debts which remain uncollected by the Company 12 months from completion will be assigned to the sellers.

As part of the acquisition arrangements Jane Adamson and Matthew Goldsmith will remain as directors of ALS and Nicola Coote and Stephen King have been appointed as additional directors. Matthew Goldsmith is contracted to remain as a director until 16 September 2005.

10.2 *RSA Acquisition Agreement*

Under the RSA Acquisition Agreement dated 29 March 2004 the Company acquired on 1 April 2004 the entire issued share capital of RSA from Hilary Ann Smith and Robin Andrew Smith. Under the terms of the agreement the following was payable as consideration:

- (a) £200,000 in cash on completion;
- (b) £50,000 in cash within 14 days of the completion accounts being drawn up (which amount could be satisfied at the Company's option by the issue to the sellers of fully paid Ordinary Shares, the price of which would be based on the middle market price of the shares prior to completion);
- (c) £75,000 in cash one year from completion;
- (d) £50,000 in cash one year from completion (which amount could be satisfied at the Company's option by the issue to the sellers of fully paid Ordinary Shares, the price of which would be based on the middle market price of the shares prior to issue);
- (e) £50,000 in cash two years from completion (which amount could be satisfied at the Company's option by the issue to the sellers of fully paid Ordinary Shares, the price of which would be based on the middle market price of the shares prior to issue); and
- (f) 5% of sales to new customers introduced by Robin Smith to the Company following completion and/or to customers existing at completion which exceed £700,000 in the 12 months following completion, which was payable 13 months from completion.

The payment at (a) was duly made. The completion accounts mechanism provided for in the RSA Acquisition Agreement, whereby the consideration would be adjusted on a pound for pound basis, reduced the payment referred to at (b) to £47,763. This was satisfied by the issue of 112,383 Ordinary Shares in aggregate to Robin Smith and Hilary Smith (with a price attributable to each Ordinary Share of 42.5 pence). The payments at (c) and (d) were satisfied by the payment of £95,000 in cash and the issue of 58,578 Ordinary Shares (with a price attributable to each Ordinary Share of 51.2 pence). The payment at (e) has yet to be made. The payment at (f) has been made and amounted to £5,773.

Hilary Smith and Robin Smith provided warranties to the Company in relation to RSA and its business and indemnities covering losses caused by both breach of certain warranties and certain specified issues. A claim under the warranties may be made until two years from completion (in the case of non-tax warranties) and seven years from completion (in the case of tax warranties). The ability to claim under the indemnities is generally unlimited in time (save in respect of certain tax matters covered by the indemnities, where a seven year limit applies). A tax covenant was also provided under which the sellers of RSA agreed to pay to the Company amounts equal to certain unpaid tax liabilities arising prior to completion. Claims under the tax covenant must be brought within seven years from completion.

Restrictive covenants were given by the sellers of RSA whereby they agreed that for two years they would not compete with the business and would not solicit customers or employees of RSA.

10.3 *Agreement for the acquisition of Lindum Safety Consultancy*

Pursuant to an agreement dated 22 December 2004 between Keith Atherton and the Company, the Company acquired from Keith Atherton for £60,000 the business of a health and safety consultancy carried on by him under the name Lindum Safety Consultancy. The business was bought as a going concern, with all assets and rights of the seller, including goodwill and the benefit of contracts, but excluding book debts owed to the seller at completion, cash and amounts recoverable in respect of taxation attributable to periods before completion.

Keith Atherton provided warranties to the Company in relation to the business under which a claim may be made until June 2006.

10.4 *Nominated Adviser and Broker Agreement*

By way of an agreement dated 27 June 2005 between the Company, the Directors and Ruegg & Co, the Company has appointed Ruegg & Co to act as its nominated adviser and broker for the purposes of the AIM Rules. The Company has agreed to pay a fee of £16,000 per annum in respect of its role as nominated

adviser and £7,500 per annum in respect of its role as broker (together with any applicable VAT thereon). The agreement contains certain undertakings and indemnities given by the Company. Subject to an earlier termination in accordance with its terms, the agreement continues for a period of two years from the date of the agreement and is subject to termination on the giving of three months' notice by either party expiring at any time on or after two years from the date of the agreement.

10.5 *HSBC Loan*

PHSCL has, on 9 June 2005, entered into an agreement with HSBC under which HSBC has loaned to PHSCL £400,000 for the purpose of assisting with the acquisition by the Company of ALS. The whole amount was drawn down on 15 June 2005 and was paid to the Company by way of an interest free inter-company loan. The Company then used these funds for part-payment of the shares in ALS on 17 June 2005.

The term of the HSBC Loan is five years from the date of draw down. Interest is payable on the HSBC Loan at a rate of 3% over HSBC's base rate. Repayments are £8,065.90 per month, commencing one month after draw down. Lump sum reductions of no less than £100,000 are permitted without penalty. An arrangement fee of £7,500 was paid to HSBC on PHSCL's acceptance of the offer.

As part of the loan arrangements the following security has been granted in favour of HSBC for the HSBC Loan (and/or any other monies and liabilities owed by the relevant entities, whether now or in the future, to HSBC):

- (a) a legal mortgage, granted with full title guarantee by PHSCL, over The Old Church, 31 Rochester Road, Aylesford, Maidstone, Kent;
- (b) a debenture granted by PHSCL whereby PHSCL charged all of its assets to HSBC by way of a legal mortgage, first fixed charge and floating charge;
- (c) a debenture granted by RSA whereby RSA charged all of its assets to HSBC by way of a legal mortgage, first fixed charge and floating charge; and
- (d) a debenture granted by the Company whereby the Company charged all of its assets to HSBC by way of a legal mortgage, first fixed charge and floating charge.

10.6 *Ruegg Engagement Letter*

Under an agreement dated 17 January 2005 between the Company and Ruegg, the Company engaged the services of Ruegg in connection with, *inter alia*, advising on its application for Admission, any related placing of the Company's Ordinary Shares and assisting in the preparation of this document. In consideration for the provision of these services the following sums are payable by the Company to Ruegg:

- (a) an initial fee of £7,500 plus VAT;
- (b) a fee of £10,000 plus VAT and any disbursements payable on 1 March 2005;
- (c) a fee of £10,000 plus VAT and any disbursements payable on 1 April 2005;
- (d) a fee of £10,000 plus VAT and any disbursements payable on 16 May 2005; and
- (e) a fee of £12,500 plus VAT and any disbursements, payable immediately following Admission, save that the fees paid to Ruegg up to Admission in respect of Ruegg acting as Ofex adviser to the Company shall be deducted therefrom.

The fees payable under (a) to (d) above have been paid.

11. **Other Information**

- 11.1 There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business.
- 11.2 The Group has no significant investments in progress.
- 11.3 There are no exceptional factors which have influenced the Company's activities.
- 11.4 The registrars of the Company are Capita Registrars.

- 11.5 The auditors of the Company are CLB, Chartered Accountants, of Aldwych House, 81 Aldwych, London WC2B 4HB, who audited the Company's accounts for the year ended 31 March 2005. CLB's report on such accounts was unqualified and did not contain a statement under subsections 237(2) or (3) of the Act.
- 11.6 CLB Corporate Finance LLP, Chartered Accountants, have given and not withdrawn their written consent to the inclusion in Part 3 A and B of this document of their reports and references to the reports and to their name, in the form and context in which they appear in this document.
- 11.7 Ruegg & Co has given and not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear.
- 11.8 The financial information relating to the Group in Part 3 of this document does not constitute statutory accounts of the relevant company within the meaning of section 240 of the Act.
- 11.9 Save as set out below, no person (excluding professional advisers named in this document) has received, directly or indirectly, from the Company in the 12 months preceding the date of this document or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the expected opening price, or any other benefit with a value of £10,000 or more at the date of Admission.
- (a) The Company has entered into a letter agreement dated 10 December 2004 with Beer Mergers Limited, a business acquisitions advisory service, whereby Beer Mergers Limited provides advisory services to the Company in relation to acquisitions of businesses in which the Company might be interested. The agreement expires on 9 December 2005. Under this agreement Beer Mergers Limited receives a non-contingent fee of £3,250 for each assignment plus a success fee based on a percentage of up to 2% of the purchase price for each business acquired. Mike Miller works for Beer Mergers Limited in a consulting capacity.
- (b) £12,723 has been paid by the Company over the course of the last 12 months to Gullands Solicitors who acted for the Company on the acquisitions by the Company of Lindum Safety Consultancy and ALS.
- During the 12 months prior to Admission the Company has paid to Beer Mergers Limited fees of £34,225 in aggregate for fees and advisory services rendered to the Company in connection with assessments of potential targets. In the event that similar work is carried out prior to 9 December 2005, Beer Mergers Limited will be entitled to further fees on the basis set out above.
- 11.10 The accounting reference date of the Company is 31 March.
- 11.11 The existing issued Ordinary Shares are in registered form.
- 11.12 The total expenses payable by the Company in connection with Admission are expected to amount to approximately £166,562 (inclusive of any applicable value added tax).
- 11.13 Copies of this document will be available to the public free of charge from the offices of Ruegg & Co at 39 Cheval Place, London SW7 1EW during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for inspection for at least one month from the date of Admission.

12. Documents Available for Inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN and shall remain available for inspection for at least 14 days after Admission:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the reports set out in Part 3;
- (c) the service agreements referred to in paragraph 3.3 above;
- (d) the material contracts referred to in paragraph 10 above; and
- (e) the letters of consent referred to in paragraphs 11.6 and 11.7 above.

Dated 28 June 2005