

7 June 2019

PHSC PLC

Trading Update

PHSC plc ("the Group"), a leading provider of health, safety, hygiene and environmental consultancy services and security solutions to the public and private sectors, announces an update on its performance for the financial year ended 31 March 2019.

Consolidated Group revenue for the period was approximately £5.21 million (31 March 2018: £7.01 million), and after premises costs and the exceptional gain detailed below, the Group achieved positive EBITDA of approximately £318,950 for the period (31 March 2018: approximately £92,500 after stock write-off and redundancy costs in that year).

The reduction in revenue is largely attributed to a significant decline in the sale of security solutions to retail clients as highlighted in our interim results. This was impacted in particular by the temporary cessation of new works from the Group's largest client in terms of revenues, as they went through a protracted restructuring process. On the positive side, the final restructure recently agreed by means of a CVA did not involve the write-down of any monies owed to ourselves, and business from that client has since seen a small recovery.

During the financial year there has also been considerable change to the premises occupied across the Group, with leases coming to an end in Wiltshire and Gloucestershire, and one freehold disposed of in Essex. The costs of relocation and dilapidations was more than offset by the one-off accounting gain of £166,000 associated with the sale of the premises previously occupied by our discontinued asbestos business. Our Scottish subsidiary renewed a lease and took on an adjacent unit, both of which involved substantial investment.

Cash at bank as at 7 June 2019 was approximately £620,000 and the Company continues to maintain a facility with its bankers. In view of the improved cash position following the property sale, the facility has been reduced at the Company's request from £300,000 to £150,000.

The above financial information is drawn from the Group's management accounts and is subject to audit and therefore may change. The Group currently expects to announce its Final Results for the year ended 31 March 2019 by mid-August 2019. As part of the audit process, the Board will consider whether any impairment provisions are necessary within the Group, particularly given the depressed level of sales in the security division to the retail sector. The Board will also consider the possible write-down of certain slow-moving stock now that the security business has moved to a single warehouse facility.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

For further information please contact:

PHSC plc

Stephen King
Stephen.king@phsc.co.uk
www.phsc.plc.uk

01622 717 700

Strand Hanson Limited (Nominated Adviser)

Richard Tulloch/James Bellman

020 7409 3494

Novum Securities Limited (Broker)

Colin Rowbury

020 7399 9427

About PHSC

PHSC plc, through its trading subsidiaries Personnel Health & Safety Consultants Ltd, RSA Environmental Health Ltd, QCS International Ltd, Inspection Services (UK) Ltd and Quality Leisure Management Ltd, provides a range of health, safety, hygiene, environmental and quality systems consultancy and training services to organisations across the UK. B2BSG Solutions Limited offers innovative security solutions including electronic tagging, labelling and CCTV.