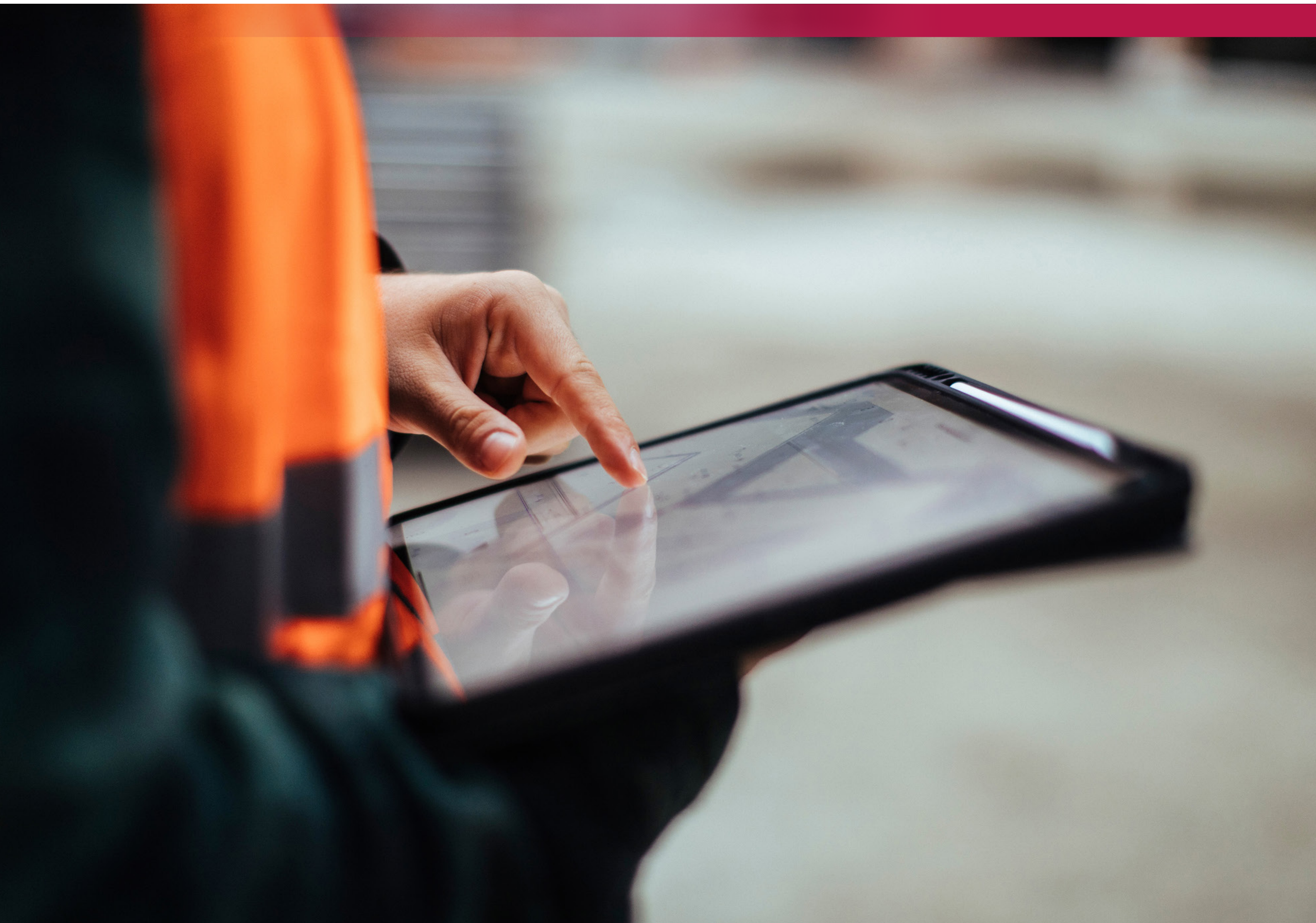
PHSC plc

Managing the **Health, Safety** and **Security** of People and Property

ANNUAL REPORT 2025



Vision Statement

To be the forward-thinking risk management provider of choice, empowering organisations to adapt to ever-changing circumstances that can affect their people, property, and performance.

Mission Statement

The PHSC Group is dedicated to providing our clients with the tools and support they need to manage their risks, enabling leaders to prioritise and implement effective solutions to protect their people, property and performance.

Purpose

Through innovative solutions rooted in deep operational insight, we enable clients to navigate uncertainty with clarity and confidence, ensuring sustainable growth and long-term success.

Strategic report

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Financial statements

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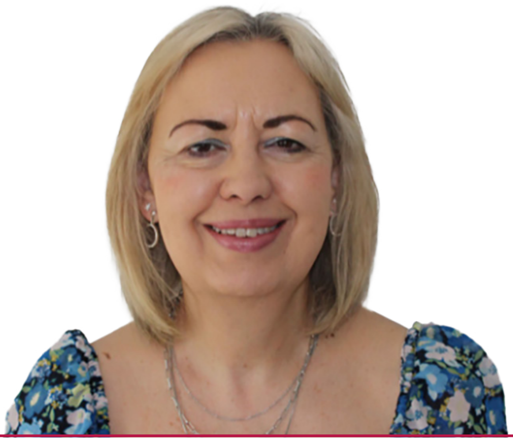
Chair's Statement



This is my first statement as Chair of PHSC plc ("PHSC" or the "Company" and, together with its subsidiaries, the "Group"). Although the past financial year has been challenging and one of change for the Group, it has also provided the opportunity for some positive developments which are described further below.

I assumed the role of Chair halfway through the financial year, in October 2024, when Stephen King, the Group's longstanding CEO and Chair, announced his intention to step down from the board to pursue other interests. Stephen left the business in January 2025 and since then Nicola Coote, the other co-founder of the business with Stephen and the remaining executive director of the Company, has been Acting CEO. We have engaged an interim non-board CFO, Raymond Holt, to assist us, while we carefully review, formulate and refine a revised future strategy and direction for the Group.

Following the changes in leadership, the board has been considering PHSC's purpose and direction, as well as the products and services we offer and determining how best we can build on the strong foundations and relationships that have been established to create long-term value for shareholders and benefit our other stakeholders. During the year, we have held several joint away days with the board and the Senior Leadership Team (SLT) (which was put in place by the Acting CEO in January 2025) to develop our future plans for the business. I am pleased to report that good progress is being made. This exercise is still ongoing, and we look forward to providing further information in due course as we confirm our next steps and vision for the future.

With respect to other board changes, we were pleased to welcome Frank Moxon as a new non-executive director, to replace Graham Webb, who stepped down at the end of September 2024. Frank has some 35 years' experience as a corporate financier and financial adviser to companies, ranging from start-ups to businesses over £3 billion in size, across a wide range of sectors. He has been a director of several companies listed in London, Australia and Canada. Frank brings a fresh perspective to our board discussions which has been most welcome as we navigate this period of change and strategic reset.

Business performance during the year has been somewhat disappointing, with further details provided in the Acting CEO's review and strategic report. The board continues to monitor the Group's financial performance closely and is working with the Acting CEO and the SLT to address certain short-term performance challenges while we transition to a refreshed business model and refined strategy.

The board has taken the difficult decision not to pay a dividend this year, which was not taken lightly. We recognise that this may be disappointing for investors who have benefited from both regular dividends and share buybacks over many years. However, given the general macroeconomic uncertainties and current market challenges we consider it prudent to retain cash for the time being, not only to satisfy current business needs but also to provide investment in targeted initiatives to promote business growth for the future. This should ensure that PHSC continues to be a profitable and sustainable business over the longer term.

I should like to take this opportunity to thank both Stephen and Graham, on behalf of the board, for their many years of dedicated service and hard work for the Company in their different but equally important roles. We wish them both well for the future. I should also like to express the board's gratitude to Nicola and the rest of the SLT as we journey through this period of transition and to the rest of our valuable staff for their continuing commitment and hard work.

I look forward to providing further updates in due course as we seek to unlock the Group's significant potential.

Lorraine Young
Non-Executive Chair
17 July 2025

Chief Executive Officer's Review

It is a privilege to present my first annual review as Acting CEO. As one of the co-founders of our business, I see it as important to ensure continuity for our organisation and loyal customers, by building on our solid foundations as we look to advance a new growth strategy and enhance profitability.

The Group's results for the year ended 31 March 2025 reflect a disappointing first half and challenges in the second half as the Group entered a period of change following the departure of our longstanding former CEO. We have been reviewing our portfolio of businesses, applying organisational changes to improve efficiency and have started to formulate and implement a revised growth strategy.

Group revenues fell 15% to £3.22m (2024: £3.78m) reflecting the one-off nature of a £0.3m security division contract last year and a challenging macroeconomic environment which has caused clients to reduce their overall expenditure. The Group made an operating loss of £145,000 (2024: £315,000 profit) with a loss after tax of £126,000 (2024: £249,000 profit). As a result, cash reserves fell by 11% to £435,000 at the year end (2024: £488,000). Unsatisfactory as these results clearly are, sales in the second half of the financial year increased by 5% over the first half, an encouraging sign as we began to make changes to our operating model.

Due to sales underperformance in the first half of the year, the Group did not declare an interim dividend (H1 2024: 0.75p per share). The board is not recommending the payment of a final dividend either this year (2024: 1.25p per share) in order to maintain working capital and provide funds to invest back into the business for future growth and development.

In recent years, our Safety Division's sales have been inconsistent, partly due to insufficient investment in technology to support customer needs. Accordingly, we are now implementing software solutions and increasing our use of artificial intelligence to deliver services and actively improve workflows.

Our Systems Division has seen revenues decline due to market saturation in traditional management systems consultancy and training across Scotland. As a result, we have written down the goodwill value of QCS International Limited (QCS) by £110,000 in the Group's financial statements and its investment value in the Company financial statements by £120,000. We intend to seek new opportunities for growth in this part of our business by expanding our service offering throughout the UK and further developing our international medical device service which now operates in four languages.

Our Security Division continues to face challenges due to the rapidly changing retail sector. However, the increasing incidence of retail theft in the UK offers clear growth opportunities. We have a strong track record of technical innovation in this division which has generally served us well in a highly competitive marketplace. We are currently introducing a range of new products including an innovative security tag that will assist with post theft evidence gathering and a high-definition AI camera.

The macroeconomic climate remains uncertain and volatile with the full effects of increased national insurance contributions, enhanced employment rights, US trade tariffs and geopolitical tensions in several regions yet to fully crystalise, although they have already reduced demand as businesses prepare for the worst. The Group is therefore conserving cash, implementing cost efficiencies, investing prudently in upgrading business capability and re-engineering its client offerings to generate new business opportunities. While the positive effects are already apparent, we anticipate that the full benefits will not be realised for at least a further 18 months.

As a consultancy business, our staff are our greatest asset. We are further developing our people strategy, as mentioned later in this report, to enhance our overall professional proposition and career opportunities. On behalf of the board, I would like to commend our staff for their continued loyalty, commitment and resilience and to thank them and our customers, suppliers, business partners and shareholders for their continued support.

Nicola Coote
Acting Chief Executive Officer
17 July 2025

Business Review

Through our three operating divisions, Safety, Systems and Security, we advise on the health, safety and security of people and property across a diverse range of business sectors and design, implement and manage international management systems (known as ISO systems). Our integrated approach has enabled us to share our knowledge and experience and transfer good practice between divisions. We can therefore provide our customers with innovative solutions by addressing their challenges from a fresh viewpoint.

PHSC is a public limited company incorporated in England and Wales (company number 4121793) and is quoted on AIM, a market operated by the London Stock Exchange. The Company is required by the Companies Act 2006 to set out in this report a review of the business during the year ended 31 March 2025 and the position of the Company and Group at the year end as well as the principal risks and uncertainties it faces. The information that fulfils these requirements, including discussion of the business and future developments, is set out in the Acting CEO's review as well as in this strategic report.

Financial Highlights

- EBITDA of £44,000 compared to £510,000 in the prior year
- Statutory loss after tax of £126,000 compared to a profit after tax of £249,000 in the prior year
- Group sales revenue of £3.22m, down from £3.78m in the prior year
- Group net assets of £3.02m, down from £3.28m in the prior year
- Statutory loss per share of 1.21p compared to earnings per share of 2.19p in the prior year
- Cash reserves of £435,000 at the year end, down from £488,000 for the prior year
- No interim dividend paid, and no final dividend proposed compared to a total dividend of 2p last year

	31.3.25 £	31.3.24 £
(Loss)/profit before tax	**(127,419)**	332,317
Less: interest received	**(17,170)**	(17,309)
Add: goodwill impairment regarding QCS International Limited (QCS)	**110,000**	–
Add: goodwill impairment regarding RSA Environmental Health Limited (RSA)	**–**	120,000
Add: depreciation	**78,441**	74,515
EBITDA*	**43,852**	509,523

* EBITDA is calculated as earnings before interest, tax, depreciation and impairment charges. This is used by the board as a measure of underlying trading and has been provided to assist shareholders in understanding the Group's trading activities.

Our People and Culture

The ongoing success of our Group depends first and foremost on our employees and organisational culture. The commitment and skills of our teams are a significant asset, and the retention and professional development of our employees remain key priorities for the Group. We will continue to focus on enhancing the knowledge and skills of our staff to encourage their engagement with the business and their contribution to the Group's overall success.

Principal Risks and Uncertainties

Regulatory/Marketplace

Approximately 50% of the Group's work involves assisting organisations with the implementation of measures to meet regulatory requirements relating to health and safety at work. Were the regulatory burden to be substantially lightened, for example if the UK government embarked upon a programme of radical deregulation, there could be less demand for the Group's services. Changes to the operation of the employer's liability insurance system, as proposed in some quarters, could well reduce the incentive for organisations to buy in claims-preventive services such as health and safety advice. In mitigation of these risks, the board has diversified the Group's range of offerings, for example, through investing in its Systems Division, and is expanding its consultancy and training support to include a wider range of ISO standards.

Business Review (continued)

The Group's Security Division works almost exclusively in the retail sector which continues to suffer from weak consumer demand on the high street and the continuing influence of online shopping. Any further material deterioration in the retail sector and specifically in B2BSG Solutions Limited's (B2BSG) client base could have a significant negative effect on the Company's and hence the Group's prospects. B2BSG periodically reviews the need to make financial provision against the value of stock held in its warehouse as products and technology evolve.

Technological

The Group's website is a significant source of new business. If the website became inaccessible for protracted periods, or was subject to "hacking", this may prejudice the opportunity to obtain new business. Additionally, 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 and the number of training courses commissioned may be affected by moves towards screen-based interactive learning. We have mitigated these risks by collaboration with an e-learning platform through which we can offer such training. Most of our websites have been redeveloped or are in the process of redevelopment. We have invested in software technology to improve our workflows and enhance customer support.

The Group's IT security policies, practices and processes are regularly reviewed by the audit committee to ensure that they remain appropriate for the business as the cyber risk landscape evolves. The Aylesford based businesses have been re-certified to Cyber Essentials standard and all staff across the Group have participated in online training to reduce the risk of falling victim to phishing and other such scams. All divisions are in the process of achieving Cyber Essentials accreditation.

People

Being a consultancy business, PHSC's people are key to its success. There is a shortage within the industry of qualified professionals which presents both risks and opportunities. We have exceptionally low staff turnover and will continue to focus on skills enhancement and staff engagement.

The Group is dependent upon its current SLT; whilst it has entered 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 member of management of the Group may have an adverse effect on the future of the Group's business. The Group and each subsidiary have contingency plans in place in the event of incapacity of key personnel.

Geographical

The Group offers a nationwide service, but several organisations see benefit in using consultancies that are local to them, and internet search engines favour local providers. With offices in Kent, Berkshire, Northamptonshire and Scotland, the Group has a good geographical spread.

Licences

The Group is reliant on licences and accreditations to be able to carry on its business. The temporary 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 will have a material adverse effect on the business of the Group. The Group has internal processes in place to ensure that key licences and accreditations are maintained.

Section 172 Statement

The Companies (Miscellaneous Reporting) Regulations require listed companies to publish a statement describing how the directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006. These sections require directors to act in a way most likely to promote the success of the Group for the benefit of its stakeholders and with regard to the following matters.

The likely consequences of any decision in the long-term

The board agrees the strategy and direction for the Group and the members of the SLT then provide their input into a group business plan and budget which is put to the board for approval around the start of the financial year. This is then used as the benchmark against which to assess performance. This year the plan included financial forecasts, KPIs, marketing strategy and an analysis of strengths, weaknesses, opportunities and threats. The business heads consider the implications for their own plans of what others within the Group are intending to do and any opportunities for synergies are explored. Any proposed actions that may adversely affect another subsidiary are flagged and resolved. The business heads are challenged on the content of their plans and the assumptions they have made, to ensure that the plans are realistic and achievable.

The interests of the Group's employees

As the Group is mainly involved in the supply of services, the board considers its staff to be the Group's greatest asset, and the interests of employees are taken into consideration as appropriate in all decisions made. Each business within the Group has in place the necessary structures to ensure effective communication with its employees. The SLT meets once a fortnight, and relevant information is shared with employees via team meetings held within each business. The views of employees are heard in a similar fashion, initially at team meetings, and escalated to the SLT and the main board if appropriate. There is an annual budget for staff training in recognition that the performance of the Group can be improved by the development of its employees.

The Group is committed to equality of employment and its policies reflect a disregard of factors such as disability in the selection and development of employees. Regular reviews are conducted to identify any gender-related pay anomalies across the Group and no such anomalies have been found.

The need to foster the Group's business relationships with suppliers, customers and others

The Group seeks to treat suppliers fairly and adhere to contractual payment terms. The Group works with its suppliers to help drive change through innovation, promoting new ideas and ways of working. The Group has zero-tolerance to modern slavery and is committed to acting ethically and with integrity in all business dealings and relationships. The Group's policy for Modern Slavery and Human Trafficking contains systems and controls to ensure that these activities are not taking place anywhere in the Group or throughout its Group's supply chains and can be viewed on our website (www.phsc.plc.uk).

The Group also has zero-tolerance with regards to bribery, made explicit through its Anti-Bribery and Corruption Policy. This covers the acceptance of gifts and hospitality and any form of unethical inducement or payment including facilitation payments and "kickbacks". The policy sets out the responsibilities of directors, employees and contractors and details the procedures in place to prevent bribery and corruption. This policy is also available on our website.

Each business is focused on its customers. Communication takes many forms and is structured according to how each business interacts with its client base. Channels of communication include quarterly newsletters, customer roadshows, multi-platform social media engagement and regular client meetings.

The main contacts between the Company and its investors (with whom a regular dialogue is maintained) are Nicola Coote, Acting CEO, on matters of business performance and Lorraine Young, Chair, on matters of corporate governance. The Company is committed to listening to and communicating openly with its shareholders to ensure that its business model and performance are understood. Regular announcements are made to the market, and the AGM provides a forum for information dissemination, discussion, and feedback.

The impact of the Group's operations on the community and the environment

The board's intention is to ensure that the business is operated in a responsible manner, complying with high standards of business conduct and good governance. The Group has a long tradition of supporting local causes through sponsorship and community involvement, details of which can be found on our website. The directors are aware of the impact of the Group's business on the environment but believe this to be minimal due to the nature of its operations.

Going Concern

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The board is satisfied that the Group's existing cash reserves, along with the Group's cash-generative trading position and £50k overdraft facility (which is subject to review in October 2025) will ensure that there are sufficient resources for it to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the board

Nicola Coote
Acting Chief Executive Officer
17 July 2025

Report of the Directors

The directors present their report with the audited financial statements of PHSC plc (Company and Group) for the year ended 31 March 2025.

Directors

The directors who held office during the year under review and up to the date of approval of the financial statements were:

N C Coote
S A King (resigned 12 January 2025)
F H Moxon (appointed 1 October 2024)
G N Webb (resigned 30 September 2024)
L E Young

Dividends

An interim dividend of 0.75p in respect of the year ended 31 March 2024 was paid in January 2024 (£82,757) and a final dividend of 1.25p (£128,399) was paid in October 2024. In light of underperformance in the first half of the year, the Group did not declare an interim dividend. The board does not propose paying a final dividend in order to maintain working capital and provide funds to reinvest in the growth of the business.

Financial Risk Management

The Group's operations expose it to a variety of financial risks which are outlined in note 1 to the financial statements on page 31.

Share Capital

The issued share capital of the Company on 31 March 2025 was 10,280,853 ordinary shares of 10p each. 11,034,237 shares were in issue at the start of the year with the 753,384 shares repurchased in March 2024 being cancelled on 11 June 2024. The changes to the issued share capital during the year are detailed in note 13 on page 42. There have been no changes to the share capital since the financial year end.

Substantial Shareholdings

As at 17 July 2025, the following persons had notified the Company of an interest of 3% or more in its issued share capital.

Name	No. of ordinary shares	% of issued share capital
N C Coote	2,196,419	21.36
S A King	1,950,000	18.97
Unicorn Asset Management Limited and Unicorn AIM VCT II plc	1,249,057	12.15
James Faulkner	455,000	4.43

Provision of Information to Auditor

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

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

Annual General Meeting (AGM)

This year's AGM will be held at 10.00 am on Thursday 25 September 2025 at The Old Church, 31 Rochester Road, Aylesford, Kent ME20 7PR. The notice of meeting is set out on pages 62 to 65 of this document and a form of proxy is included on page 66.

Details of the business to be considered at the meeting are given below.

Report and accounts (Resolution 1)

It is a requirement of company law that the annual report and accounts are laid before shareholders in a general meeting.

Election and re-election of directors (Resolutions 2 to 4)

Frank Moxon, having been appointed during the year, will stand for election by shareholders at the AGM. Nicola Coote and Lorraine Young will retire by rotation and offer themselves for re-election.

Reappointment of auditor (Resolution 5)

A resolution for the reappointment of Crowe U.K. LLP as the Company's auditor will be put to the AGM together with the usual practice of authorising the directors to determine the auditor's fees.

Authority of directors to allot shares (Resolutions 6 and 7)

By law, directors are not permitted to allot new shares (or to grant rights over shares) unless they are authorised to do so by shareholders. In addition, directors require specific authority from shareholders before allotting new shares (or granting rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 6 gives the directors the necessary authority until the earlier of next year's AGM or 24 December 2026, to allot securities up to an aggregate nominal amount of £342,695.10 being equivalent to approximately one third of the Company's issued share capital as at the date of the notice of meeting.

Resolution 7 empowers the directors, until the earlier of next year's AGM or 24 December 2026, to allot such securities for cash otherwise than on a pro-rata basis to existing shareholders, up to an aggregate nominal amount of £205,617.06 being equivalent to approximately 20 per cent of the Company's issued share capital as at the date of the notice of meeting. It is intended to renew this authority and power at each AGM.

Authority for the Company to purchase its own shares (Resolution 8)

Resolution 8 authorises the Company, until the earlier of next year's AGM or 24 December 2026 to purchase in the market up to a maximum of 1,542,128 ordinary shares (equivalent to approximately 15 per cent of the issued share capital of the Company as at the date of the notice of meeting) for cancellation at a minimum price of 10 pence per share and a maximum price per share of an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange) for the five business days immediately before the date of purchase.

The Company may hold any repurchased shares in treasury, instead of cancelling them immediately. If the Company buys back its own shares and holds them in treasury it may then deal with some or all of them in several ways. It may sell them for cash; transfer them under the provisions of an employee share scheme; cancel them; or continue to hold them in treasury. Holding shares in treasury in this way will allow the Company to reissue them quickly and cost effectively, giving increased flexibility to the management of its capital base. Dividends are not paid on shares held in treasury, nor do they carry voting rights while they remain there. The directors intend to decide at the time of any further share buybacks, whether to cancel the shares immediately or to hold them in treasury, depending on what would best promote the success of the Company at the time. The Company currently holds no ordinary shares in treasury.

The proposal should not be taken as an indication that the Company will purchase shares at any particular price or indeed at all, and the directors will only consider making further purchases if they believe that such purchases would result in an increase in earnings per share and are in the best interests of shareholders.

Voting

A form of proxy is included at the end of this document for use at the AGM. Please complete, sign and return it as soon as possible in accordance with the instructions on it, whether or not you intend to attend the AGM. Returning a form of proxy will not prevent you from attending the meeting and voting in person if you so wish. A form of proxy should be returned so that it is received not less than 48 hours (excluding non-working days) before the time of the AGM.

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The directors will be voting in favour of them and unanimously recommend that you do so as well.

Subsequent Events and Future Developments

There have been no events since the financial year end that are required to be disclosed in this report. The Acting CEO's review contains information about the future outlook for the business.

On behalf of the board

Arch Law Limited
Secretary
17 July 2025

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the report of the directors and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements and Company accounts in accordance with UK adopted international accounting standards.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the strategic report, the report of the directors and other information included in the annual report and financial statements is prepared in accordance with applicable law and regulations in the UK.

The maintenance and integrity of the PHSC plc website is the responsibility of the directors; the work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the UK governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

On behalf of the board

Nicola Coote
Acting Chief Executive Officer
17 July 2025

Board of Directors

Lorraine Young
Non-Executive Chair

Lorraine Young was appointed a non-executive director of PHSC plc in April 2016 and became Non-Executive Chair in October 2024. She runs a board review and consultancy practice and is also an accredited mediator. She is a former non-executive director of City of London Group plc, an AIM quoted company in the financial services sector where she chaired the remuneration committee. Lorraine has held senior governance roles at several blue-chip companies, including Standard Chartered plc and Brambles Industries plc. She ran her own company secretarial and corporate governance advisory practice for 13 years, which in 2016 she merged with the company secretarial team at a UK top 50 law firm, where she was a partner. Lorraine is Junior Warden and on the Court of the Worshipful Company of Chartered Secretaries and Administrators, one of the modern livery companies, where she chairs the Finance & General Purposes Committee. She is also a past president and fellow of the Chartered Governance Institute.

Lorraine is chair of the remuneration committee and is a member and former chair of the audit committee.

Nicola Coote
Acting Chief Executive Officer

Nicola Coote co-founded PHSC in 1990 with Stephen King, after working with him in occupational safety and health at both News International and Reuters plc. She stepped into the Acting CEO role in January 2025 following Stephen's departure from the business. Nicola has over 35 years' experience in occupational risk, health and safety and is a fellow of the Institution of Occupational Safety & Health (IOSH). She was the first female fellow of IOSH in the south of England and continues to support the institution. She is also a registered expert witness and works on both criminal and civil cases. In June 2022, Nicola was appointed a non-executive director of Thera Trust, a charity supporting adults with learning difficulties. Nicola has chaired the annual Tolley Health and Safety Conference and continues to write and update editorial material for their publication "Tolley's Health & Safety at Work". She has been consultant editor or contributor to more than 30 titles produced by publishers such as Croner.

Frank Moxon
Non-Executive Director

Frank Moxon was appointed a non-executive director of PHSC plc in October 2024. Frank has extensive experience over the past 20 years, as a non-executive chair or non-executive director of private businesses and companies listed in London, Australia and Canada. He is currently also a senior independent director at Jersey Oil & Gas plc and a non-executive director of the East of England Co-operative Society. Previously, Frank was a corporate financier and financial adviser to companies operating in a wide variety of industry sectors, ranging from start-ups to businesses over £3 billion in size by market capitalisation. Throughout his career, Frank has successfully advised growth-focused companies on financial structuring, equity and debt capital raisings and M&A transactions across a variety of industry sectors and geographic locations. He has a BSc in Economics and is an Honorary Chartered Fellow of the Chartered Institute for Securities & Investment.

Frank chairs the audit committee and is a member of the remuneration committee.

Corporate Governance Report

PHSC plc has adopted the QCA Corporate Governance Code (the Code) as a guide to good practice corporate governance for smaller listed companies and as Chair I have responsibility for ensuring good governance within the Group. The Code states that good governance “ensures sound decision-making in the interests of long-term value creation” and “is about having the right people in the right roles, working together and doing the right things to deliver value for shareholders as a whole over the medium to long term”. This includes taking account of the Company’s impact on its stakeholders and the environment, echoing the requirements of section 172 of the Companies Act 2006. During the past year, as described elsewhere in this Annual Report, the board has spent considerable time considering the longer-term direction and purpose of PHSC together with the SLT. As this exercise progresses and our plans become more concrete, we will be able to consider in more detail the effect on our stakeholders of any changes we decide to make. Although PHSC is a very small group, we are mindful of our environmental impact, and this is something we intend to report on further in the future.

The 2023 version of the QCA Corporate Governance Code took effect for financial years starting on or after 1 April 2024. Although reviewing the new governance code has not been the board’s primary focus this year, I am satisfied that, as described above, we have conducted and led the Group in a way which promotes good governance at a high level. We will continue to consider the updated version of the Code and decide over the coming 12 months if there is anything about our corporate governance framework and practices which we think it appropriate to change.

This corporate governance report describes how the board and its committees operate and what each has done during the year as well as our current compliance with the 2023 version of the Code.

Lorraine Young
Non-Executive Chair

Corporate Governance Report

The following sets out how the Group complies with the 10 principles of the Code:

Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders

The board sets the Group's strategy and monitors its implementation regularly, reviewing business and financial performance at each board meeting. It also takes care to ensure that sufficient resources are available to deliver the strategy and business plans within an annual budget. During 2025 to date, the board has been reviewing the Group's purpose, business model and strategy with a view to refreshing and updating it. This exercise is proceeding well but has not yet been concluded. Further information on the Group's strategy, performance and outlook can be found within the strategic report on pages 3 to 10.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Group has a corporate culture that is based on ethical values and behaviours. It maintains a quality system appropriate to the standards required for a company of its size. As the updated purpose, strategy and business model for the Group are developed, its values and culture will also be refreshed to ensure they align with and support the direction of travel.

Since the beginning of 2025, the operational board has ceased to meet and a SLT has been established, led by the Acting CEO. This meets every fortnight and comprises the business heads, the interim CFO and group business support manager. Communication between the board and staff is mainly through the SLT and staff also have direct access to our Acting CEO. The Acting CEO provides updates to the board at each meeting and during 2025 the NEDs have attended several awaydays with the SLT and other members of the staff team to discuss the future strategy and direction of the Group.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Group remains committed to listening to, and communicating openly with, its shareholders to ensure that its strategy, business model and performance are clearly understood. The AGM is a forum for shareholders to engage in dialogue with the board. The results of voting at the AGM are published via a regulatory information service and on the Group's website.

Lorraine Young and Nicola Coote are the principal contacts between PHSC plc and its shareholders, with the Chair focusing on governance matters and the Acting CEO focusing on business performance. The views of shareholders are communicated to the whole board. The Group's progress is regularly communicated to investors through its announcements to the market.

The Group uses other professional advisers such as its nomad, broker, and company secretary who provide advice and recommendations on shareholder communication as appropriate.

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The board recognises that long-term success relies upon good relations with a range of different stakeholder groups, which it has identified, including staff, customers, suppliers and the communities within which it operates. The board understands their needs, interests and expectations and seeks to ensure that actions affecting all stakeholders are consistent with the Company's values. The Group engages with stakeholders regularly; the members of the SLT provide regular feedback from this engagement to the Acting CEO, who then ensures that the board is informed of any major developments. The Company's section 172 statement is set out on pages 4 and 5 of this annual report.

The board provides appropriate oversight of the Company's approach towards relevant environmental and social issues, recognising that matters relating to the Company's impact on society, the communities within which it operates, and the environment have the potential to affect the Company's ability to deliver shareholder value over the medium to long term.

These matters are integrated into the Company's strategy, business model and risk management systems.

Principle 5: Embedding effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The board and the audit committee regularly review the risks facing the business and the internal controls in place to address these risks. Each member of the SLT has provided input into the Group's risk register. As a result, plans have been put in place to deal with various contingencies which might arise. Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the directors believe that the established systems for internal control within the Group are appropriate for the business.

As the board concludes its review of strategy and an updated direction and business model are determined, it will reconsider the high level risks facing the Group and whether any new mitigations need to be put in place or any existing ones amended.

The Group's operations expose it to a variety of financial risks which are outlined in note 1 to the financial statements on page 31.

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the Chair

The board comprises three directors. Lorraine Young is Non-Executive Chair, Nicola Coote is Acting CEO and an executive director and Frank Moxon is a non-executive director. The board considers that both NEDs are independent, and they do not receive any performance related remuneration. Graham Webb stood down as a NED at the end of September 2024 and Frank Moxon was appointed to replace him. Following the departure of Stephen King in January 2025, Nicola Coote was appointed as Acting CEO and the board appointed an interim non-board CFO. Lorraine Young has served on the board for more than nine years. The board is of the view that Lorraine retains independent judgement and continues to make a valuable contribution to the board.

The role of the board is to set the Group's strategy, agree its business model and approve business plans and budgets (among other matters). The role of the Acting CEO is to deliver the strategy, along with the SLT and the rest of the staff. Biographies of each of the directors are set out on page 10 of this report.

The board has a formal schedule of matters reserved for its decision, including Group strategy, approval of major capital expenditure, approval of the annual and interim results, annual budgets, dividend policy and board structure. The board monitors the Group's exposure to key business risks. It delegates day-to-day responsibility for managing the business to the Acting CEO and the SLT.

All directors are expected to commit sufficient time to fulfil their duties and roles. The time commitment normally required from a NED would be about two days each month and for the Chair about three to four days a month. Since October 2024, this has increased due to the various changes at the Group but is expected to reduce again over time. The Acting CEO is a full-time role.

The directors' attendance at board and committee meetings during the year was as follows:

Name	Board	Audit*	Remuneration*
Nicola Coote*	6(6)	3(0)	0
Stephen King*	4(4)	1(0)	0
Frank Moxon	3(3)	2(2)	1(1)
Graham Webb	3(3)	1(1)	1(1)
Lorraine Young	6(6)	3(3)	2(2)

Figures shown in brackets indicate the total number of meetings the eligible director was entitled to attend during the reporting period.

* Nicola Coote and Stephen King were not members of the audit and remuneration committees, though they were both invited to attend committee meetings as and when required. They did not participate in discussions concerning their own remuneration.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up to date experience, skills and capabilities

During the year, the board has approved and adopted role descriptions for the Chair and the Acting CEO. It has also approved an updated schedule of matters reserved to the board. The Company's nominated adviser attended at the start of a recent board meeting to provide the directors with an update on developments in respect of the AIM Rules for Companies and the Market Abuse Regulation which also gave the directors an opportunity to ask any questions on these or related matters. The Chair discusses with each director any areas where they wish to develop their knowledge, skills or experience and then appropriate initiatives are put in place. A comprehensive induction programme was provided for Frank Moxon when he joined the board so that he could familiarise himself with each area of the Group's business in a timely way and he met each member of the SLT.

Committees

The board has delegated certain matters to committees. There is an audit committee and a remuneration committee. The terms of reference of these committees were reviewed during the year and are available on request. There is no separate nominations committee. Any matters which would normally be dealt with by such a committee will be considered by the whole board, excluding any directors who may be interested in the matter, as appropriate.

Audit committee

The audit committee comprises Frank Moxon (committee member from 1 October 2024 and committee chair from 1 January 2025) and Lorraine Young (committee chair until 1 January 2025). Graham Webb was a member of the committee until 30 September 2024.

In the past there had been an annual audit planning meeting between the external auditor and the committee chair. This year, there was an additional meeting of the audit committee in January 2025 with the auditor for the purposes of audit planning and agreeing the scope of the audit, noting any likely areas which would need particular consideration. The committee also meets at the time of the annual and half year results announcements. The auditor attends the meeting where the full year results are considered and provides input at the half year results stage, although the interim results are not audited nor are they the subject of an audit review. The key risk areas identified by the auditors and considered by the audit committee as part of the year-end process, were the impairment of goodwill and investments, stock valuation, revenue recognition and the override of controls by management. There were no changes in accounting standards or disclosure requirements this year which the committee needed to consider.

The committee also regularly reviews internal controls and risk management, including the Group's risk register. The audit committee reviews annually whether the Group needs to have an internal audit function and does not consider this to be necessary at present.

During 2023, revised guidance from the International Ethics Standards Board for Accountants included the AIM market within the definition of a listed entity from an audit independence perspective. This meant that Crowe could no longer provide tax compliance services to PHSC plc in addition to acting as its auditor. Accordingly, Barnes Rolfe was appointed as the Group's tax adviser with effect from 1 April 2024. The committee considers the continuing independence of the external auditor and notes the level of non-audit fees, now only relating to iXBRL tagging, to ensure they remain at an acceptable level.

Remuneration committee

The remuneration committee comprises Lorraine Young (chair since 1 October 2024) and Frank Moxon (committee member from 1 October 2024). Graham Webb was a member of and chaired the committee until 30 September 2024. The committee considers all aspects of the remuneration of the executive directors and the SLT. It also receives information about pay and benefits across the Group. The members of the committee maintain knowledge and awareness of the latest regulatory requirements and current market practice. As in prior years, any payments to senior executives under the Group bonus plan are approved by the committee. None of the directors are involved in any decisions about their own remuneration. The fees of the non-executive directors are determined by the board, without the relevant NED being present or involved in the decision.

Directors' remuneration

The remuneration of the executive directors of PHSC plc, from all Group companies, was as follows:

	Short-term employee benefits					Year ended 31.3.25		
Name	Salary	Bonus	Waiver/ voluntary reduction	Pension salary sacrifice	Benefits	Post employment benefits Pension	**Total**	Year ended 31.3.24 Total
N C Coote	90,049	6,950	-	(38,797)	2,614	41,360	**102,176**	95,419
S A King	61,026	6,950	(1,000)	(600)	2,104	1,435	**69,915**	63,841

The benefits relate to health insurance. Stephen King's bonus was added to salary whereas Nicola Coote opted to take her bonus part as salary and part as a pension contribution.

Nicola Coote received a salary increase to £100,000 p.a. on 12 January 2025, when she took on the role of Acting CEO.

Stephen King resigned from the board with effect from 12 January 2025.

The fees of the non-executive directors were as follows:

	31.3.25 £	31.3.24 £
F H Moxon[1]	**10,000**	–
G N Webb[2]	**9,777**	16,981
L E Young[3]	**20,542**	16,981
Total	**40,319**	33,962

Notes
1 Appointed to the board on 1 October 2024
2 Resigned from the board on 30 September 2024
3 Became Non-Executive Chair on 15 October 2024

The annual fee payable to the NEDs was increased to £20,000 p.a. with effect from 1 May 2024.

An additional fee of £5,000 p.a. for the Chair was approved by the board with effect from 1 February 2025.

Corporate Governance Report (continued)

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Chair is a Chartered Governance Institute accredited board reviewer and considers board performance with the rest of the board on an ongoing basis. She works with the other directors to ensure that board members have the knowledge, skills and experience necessary to lead the Group. To date, there has not been a formal or an external board review. This will be kept under review.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

Given the Company's current size and structure, the board had determined that adopting a formal remuneration policy was not necessary. However, in light of the review of the Group's strategy, business model and operations the remuneration committee expects to consider the remuneration arrangements of the Acting CEO and the SLT over the coming months to ensure that they are incentivised to deliver the Group's business plans and budget and increase value for shareholders over the longer term.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

These matters are covered elsewhere in this corporate governance report, in particular under Principles 3 and 4.

On behalf of the board

Arch Law Limited
Secretary
17 July 2025

Independent Auditor's Report to the Shareholders of PHSC plc

Opinion

We have audited the financial statements of PHSC plc (the Parent Company) and its subsidiaries (the Group) for the year ended 31 March 2025, which comprise:

- the Group statement of financial position as at 31 March 2025;
- the Group statement of comprehensive income for the year ended 31 March 2025;
- the Group statement of changes in equity for the year then ended;
- the Group statement of cash flows for the year then ended;
- the Parent Company statement of financial position as at 31 March 2025;
- the Parent Company statement of changes in equity for the year then ended;
- the Parent Company statement of cash flows for the year then ended; and
- the notes to the financial statements, including accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements of both the Group and the Parent Company is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements of the Group and Parent Company:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained and reviewed management's trading budgets and cash flow forecasts to 31 July 2026. In addition to the review of arithmetical accuracy, we also discussed the key assumptions with management and ensured they are in line with expectations based on industry averages and analysis of prior year trends and performance. The trading budget and cash flow forecast show the Group as being profitable and cash generative throughout the forecast period. Our assessment included undertaking sensitivity analysis on these forecasts and considered the feasibility of results, in light of past results, and the ability of management to forecast accurately along with considering recent economic conditions.
- We reviewed the board minutes for any matters documented in the minutes relevant to going concern, but no significant matters had been noted in the minutes.
- We enquired with management whether there are any significant subsequent events that may impact on the Group's going concern status.

Independent Auditor's Report to the Shareholders of PHSC plc (continued)

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

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements to be £32,000 (2024: £35,000), based on 1% percent of the Group's revenue. Materiality for the Parent Company financial statements as a whole was set at £22,000 (2024: £30,000) based on 5% loss before tax excluding intercompany charges and dividends (2024 - 6% of loss before tax excluding intercompany charges and dividends).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £22,400 (2024: £24,500) for the Group and £15,400 (2024: £21,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the audit committee to report to it all identified errors in excess of £3,000 (2024: £3,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Audit scope

The audit scope was established during the planning stage and was based around the key audit matters set out below.

We performed an audit of the complete financial information of the consolidated and Parent Company financial information. The financial information of Personnel Health & Safety Consultants Limited, RSA Environmental Health Limited, Inspection Services (UK) Limited and Quality Leisure Management Limited were audited using a component materiality for the Health & Safety division whilst B2BSG Solutions Limited, PHSC plc and QCS International Limited were each treated as separate individual components for the purpose of auditing the consolidated financial statements, an individual opinion was not given on the subsidiaries as they took the parental guarantee exemption. The audit approach for each component was consistent with the overall scope of the audit.

The parent and subsidiaries were all audited by the Group engagement team and no component auditors were used.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
As at 31 March 2025, the Group has goodwill balances totalling £2,005,045 allocated between the Group's cash generating units (CGUs). As explained in note 6 to the financial statements, the directors are required to annually test goodwill for impairment, a process that is complex and highly judgemental. We therefore identified the impairment of goodwill as a significant risk.	Our audit work included, but was not restricted to: ■ considering management's impairment assessment. ■ obtaining an understanding of the key controls over the impairment review process and generation of cash flow forecasts. ■ obtaining and checking the arithmetical accuracy of management's impairment model. ■ considering management's assessment of CGUs and whether impairment testing is being conducted for all relevant CGUs. ■ challenging and testing the assumptions underlying the impairment models for value in use calculations, in particular maintainable trading levels, growth rates and discount rates (utilising our internal valuation specialist). ■ challenging management's forecasting through a comparison of budget to actual data and historical variance trends. ■ considering the accounting policy for compliance with IAS 36 and the application by the Group in accordance with the stated policy. ■ reviewing the disclosures in the financial statements to ensure they are both accurate and complete.
The parent company holds investments in its subsidiaries totalling £2,097,388. As this amount is higher than the year-end market capitalisation for the Group, this was considered to be an indication of impairment and so management performed a review to identify if any impairment was required as detailed in note 10 of the Company accounts. This involved preparation of value in use forecasts, which require management to make a number of estimates and judgements and we therefore consider this to be a key audit matter.	Our audit work included, but was not restricted to: ■ considering management's assessment of the existence of any impairment indicators. ■ obtaining an understanding of the key controls over the impairment review process and generation of cash flow forecasts. ■ obtaining and checking the mechanical accuracy of management's impairment model. ■ considering management's assessment of CGUs, the net assets of each CGU and whether impairment testing is being conducted for all relevant CGUs. ■ challenging and testing the assumptions underlying the impairment models for value in use calculations, in particular maintainable trading levels, growth rates and discount rates (utilising a valuation specialist). ■ testing the accuracy of management's forecasting through a comparison of budget to actual data and historical variance trends. ■ considering the accounting policy for compliance with IAS 36 and the application by the Group in accordance with the stated policy. ■ reviewing the disclosures in the financial statements to ensure they are both accurate and complete.

Independent Auditor's Report to the Shareholders of PHSC plc (continued)

Key audit matter	How the scope of our audit addressed the key audit matter
The Group holds a significant level of stock in one of its subsidiaries some of which has been held for a long time. Due to the age of stock and its technological nature, there is a risk that items have become obsolete, and their value is no longer fully recoverable. Details of the inventory held can be found in note 7.	Our audit work included, but was not restricted to: ■ obtaining an understanding of the key controls over the inventory provisioning process and assessing obsolescence and the Groups policy in respect of provisions. ■ reviewing and tested a sample for the ageing of stock and performing analytical procedures to identify potential areas of under-provision for slow moving and obsolete inventory or material misstatement. ■ challenging the provisioning for slow moving inventory to ensure that the provision was sufficient. ■ agreeing a sample of items to post year-end sales to assess saleability and to check that stock is being held at the lower of cost and realisable value. ■ ensuring that the accounting policy is correctly disclosed and is being correctly applied. ■ challenging management where items had not been sold for a period of time and had not been provided for. ■ comparing last year's provision to the amount of stock written off to assess management's ability to forecast and set provisioning accurately. ■ attending the stock count and conducting a test count of a sample of items to test for existence. ■ agreeing a sample of transactions either side of the year-end confirming stock has been allocated to the correct period to test cut off was operating effectively.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 9 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit is capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006.

Independent Auditor's Report to the Shareholders of PHSC plc (continued)

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the recognition of revenue. Our audit procedures to respond to these risks included:

- enquiry of management and those charged with governance about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the board meeting minutes;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- detailed testing of a sample of sales made during the year and around the year end and agreeing these through to invoices and receipts;
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Darren Rigden (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Maidstone
17 July 2025

Group Statement of Financial Position

as at 31 March 2025

	Note	31.3.25 £	31.3.24 £
Non–Current Assets			
Property, plant equipment	5	**507,098**	501,775
Goodwill	6	**2,005,045**	2,115,045
Deferred tax asset	12	**8,901**	12,370
		2,521,044	2,629,190
Current Assets			
Stock	7	**219,940**	245,663
Trade and other receivables	8	**584,014**	768,844
Cash and cash equivalents	9	**434,795**	488,375
Current corporation tax receivable		**2,091**	–
		1,240,840	1,502,882
Total Assets		**3,761,884**	4,132,072
Current Liabilities			
Trade and other payables	10	**573,834**	630,818
Right of use lease liabilities	11	**40,708**	38,464
Current corporation tax payable		**–**	79,270
		614,542	748,552
Non–Current Liabilities			
Right of use lease liabilities	11	**61,769**	40,865
Deferred tax liabilities	12	**64,807**	67,290
		126,576	108,155
Total Liabilities		**741,118**	856,707
Net Assets		**3,020,766**	3,275,365
Capital and reserves attributable to equity holders of the Group			
Called up share capital	13	**1,028,088**	1,103,426
Share premium account	13	**1,916,017**	1,916,017
Capital redemption reserve		**583,266**	507,928
Merger relief reserve		**133,836**	133,836
Treasury shares		**–**	(209,977)
Retained earnings		**(640,441)**	(175,865)
		3,020,766	3,275,365

The financial statements were approved and authorised for issue by the board of directors on 17 July 2025, and were signed on its behalf by:

N C Coote
Director

The accounting policies and notes on pages 27 to 48 form part of these financial statements.

Group Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	31.3.25 £	31.3.24 £
Continuing operations:			
Revenue	25	**3,220,165**	3,778,750
Cost of sales	15	**(1,545,752)**	(1,763,210)
Gross profit		**1,674,413**	2,015,540
Administrative expenses	15	**(1,709,002)**	(1,580,532)
Goodwill impairment	6	**(110,000)**	(120,000)
(Loss)/profit from operations		**(144,589)**	315,008
Finance income	18	**17,170**	17,309
(Loss)/profit before taxation		**(127,419)**	332,317
Corporation tax credit/(expense)	19	**1,219**	(83,552)
(Loss)/profit for the year after tax attributable to owners of the parent		**(126,200)**	248,765
Other comprehensive income		**–**	–
Total comprehensive (expense)/income attributable to owners of the parent		**(126,200)**	248,765
Basic (loss)/earnings per share from continuing operations (p)	20	**(1.21p)**	2.19p

The accounting policies and notes on pages 27 to 48 form part of these financial statements.

Group Statement of Changes in Equity

for the year ended 31 March 2025

	Share Capital £	Share Premium £	Merger Relief Reserve £	Capital Redemption Reserve £	Treasury Shares £	Retained Earnings £	Total £
Balance at 1 April 2024	1,103,426	1,916,017	133,836	507,928	(209,977)	(175,865)	3,275,365
Loss for year attributable to equity holders	–	–	–	–	–	(126,200)	(126,200)
Dividends	–	–	–	–	–	(128,399)	(128,399)
Cancellation of own shares	(75,338)	–	–	75,338	209,977	(209,977)	–
Balance at 31 March 2025	**1,028,088**	**1,916,017**	**133,836**	**583,266**	**–**	**(640,441)**	**3,020,766**
Balance at 1 April 2023	1,184,704	1,916,017	133,836	426,650	–	(23,065)	3,638,142
Profit for year attributable to equity holders	–	–	–	–	–	248,765	248,765
Dividends	–	–	–	–	–	(193,010)	(193,010)
Cancellation of own shares	(81,278)	–	–	81,278	(209,977)	(208,555)	(418,532)
Balance at 31 March 2024	1,103,426	1,916,017	133,836	507,928	(209,977)	(175,865)	3,275,365

The accounting policies and notes on pages 27 to 48 form part of these financial statements.

Group Statement of Cash Flows

for the year ended 31 March 2025

	Note	31.3.25 £	31.3.24 £
Cash flows from operating activities:			
Cash generated from operations	I	**198,806**	471,807
Tax paid		**(79,156)**	(56,951)
Net cash generated from operating activities		**119,650**	414,856
Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment		**(15,399)**	(39,611)
Interest received		**17,170**	17,309
Net cash from/(used in) investing activities		**1,771**	(22,302)
Cash flows used in financing activities			
Payment of lease liabilities		**(46,602)**	(42,264)
Purchase of own shares		**–**	(418,532)
Dividends paid to shareholders		**(128,399)**	(193,010)
Net cash used in financing activities		**(175,001)**	(653,806)
Net decrease in cash and cash equivalents		**(53,580)**	(261,252)
Cash and cash equivalents at beginning of year		**488,375**	749,627
Cash and cash equivalents at end of year		**434,795**	488,375

All changes in liabilities arising from financing relate entirely to cash movements.

Note to the Group Statement of Cash Flows

for the year ended 31 March 2025

	31.3.25 £	31.3.24 £
I. Cash generated from operations		
(Loss)/profit from operations	**(144,589)**	315,008
Depreciation charge	**78,441**	74,515
Goodwill impairment	**110,000**	120,000
Loss on sale of fixed assets	**1,385**	2,854
Decrease/(increase) in stock	**25,723**	(45,494)
Decrease/(increase) in trade and other receivables	**184,830**	(94,472)
(Decrease)/increase in trade and other payables	**(56,984)**	99,396
Cash generated from operations	**198,806**	471,807

Accounting Policies

for the year ended 31 March 2025

General information

PHSC plc is quoted on the AIM market operated by London Stock Exchange plc and is incorporated in England and Wales under the Companies Act 2006. The address of its registered office is set out in the Company information schedule at the back of this annual report. The Group's head office is based in Aylesford, Kent, with additional premises in Scotland, Berkshire and Northants. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 3 to 10. The financial statements are presented in pounds sterling which is the Group's functional and presentation currency. The figures shown in the financial statements are rounded to the nearest pound.

Basis of preparation of financial statements

The Group's financial statements have been prepared in accordance with UK adopted international accounting standards and under the historical cost convention except as noted below.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Company Law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they have considered a period up to 12 months from the date of signing these financial results and any severe but plausible downside factors and are satisfied that the going concern basis remains appropriate. In accordance with Financial Reporting Council guidance the directors have provided reasons for this opinion in the going concern section of the strategic report on page 5.

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

Basis of consolidation

The Group financial statements consolidate the financial statements of PHSC plc and all of its subsidiary undertakings made up to 31 March 2025.

Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

The acquisition of subsidiaries has been accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Inter–company transactions (including unrealised gains/losses) and balances are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over the shorter of the expected useful life or lease term, as follows:

Accounting Policies (continued)

Property:	
Freehold buildings	▪ 2% on a straight–line basis
Improvements to property	▪ on a straight–line basis (10% of cost if expected useful life is shorter than the lease term)
Plant and equipment:	
Fixtures and equipment	▪ 25% on reducing balance basis
Right of use assets	▪ 25% on reducing balance basis
Motor vehicles	▪ 25% on reducing balance basis

Material residual value estimates are updated as required. An asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of identified assets; this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset.
- The Group has the right to obtain substantially all the economic benefits from use of the assets throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision–making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if the Group has the right to operate the asset.

All leases are accounted for by recognising a right–of–use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the entity's incremental borrowing rate on commencement of the lease is used. The effect of discounting is considered immaterial to the financial statements, so the values recorded represent the gross undiscounted amounts.

Right–of–use assets are amortised on a straight–line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Intangible assets

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. Such goodwill is capitalised as an intangible asset and is stated at cost less impairment losses.

Impairment of intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash–generating units). Goodwill is allocated to those cash–generating units that are expected to benefit from the business combination on which the goodwill arose and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets, or cash–generating units that include goodwill are reviewed for impairment at least annually. All property, plant and equipment with a finite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash–generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment losses are charged to administrative expenses.

Stock

Stock is stated at the lower of cost and net realisable value after making allowance for obsolete and slow–moving stock. The value of stock is calculated on purchase cost on a first–in, first–out basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, bank overdrafts, and short–term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Financial assets

Trade receivables and contract assets are initially stated at the transaction price and subsequently measured at amortised cost using the effective interest method. The carrying amounts for accounts receivable are net of allowances for expected credit losses. The Group evaluated the expected credit losses on trade receivables by reviewing historical data, adjusted for forward–looking factors to the debtors and the economic environment. Individual receivables are only written off when management deems them not collectible.

Taxation

Current tax is the tax currently payable based on any taxable profit for the year.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss under a business combination or does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates and laws that have been substantially enacted by the statement of financial position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward, and other tax credits to the Group, are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The proceeds of share issues, received net of any directly attributable transactions costs, are credited to share capital at nominal value and the excess credited to the share premium account.

The capital redemption reserve arose when the Company repurchased some of its own shares. At that point the nominal value of those shares was transferred to the capital redemption reserve.

The merger relief reserve represents the premium of any shares issued in part consideration on acquisitions in accordance with section 612 of The Companies Act 2006.

Retained earnings represent the accumulated profits and losses, less dividends since the Group was formed.

Accounting Policies (continued)

Employee benefits

The Group supports various personal pension arrangements and is auto–enrolment compliant. Payments are made to individual defined contribution pension schemes. Agreed contributions are charged to the statement of comprehensive income as they become payable.

Revenue recognition

Revenue consists of the consideration to which the Group expects to be entitled for services provided in the ordinary course of the Group's activities, excluding VAT and trade discounts.

Revenue stream	Nature, timing of satisfaction of performance obligations and significant payment terms
Services: one–off consultancy, training, health & safety audits, editorials and safety inspections	Revenue from services is recognised as the services are provided as this is the point at which the performance obligations are fulfilled. In respect of services invoiced in advance, amounts are deferred until provision of the service. Customer payment terms are generally 30 days from the date of invoice.
Services: health and safety support, annual consultancy services, appointed safety adviser services and certification services	Revenue is recognised evenly across the length of the contract as this is considered the best estimate of the fulfilment of the performance obligations. Customer payment terms are generally 30 days from the date of invoice.
Services: UK Responsible Person Service	Revenue is apportioned across the year using pre–set percentages reflecting the associated workload each month.
Supply and installation of security equipment and maintenance of equipment	Revenue from installation and maintenance visits is recognised as these services are provided as this is the point at which the performance obligations are fulfilled. Customer payment terms are between 30 and 60 days from the date of invoice.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Group statement of financial position are reported at the rates of exchange prevailing at that date. All foreign exchange gains and losses are presented in the statement of comprehensive income within the administrative expense heading.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Financial Risk Management

Financial risk

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the board which evaluates and manages financial risks in close co-operation with the managing directors of the subsidiary companies.

The Group:

- regularly reviews credit extended to customers with appropriate action being taken to minimise the cost of bad debts;
- balances risk and return when assessing where to place cash surplus to the Group's immediate requirements; and
- keeps open options to employ debt finance to ensure that the Group has enough funds for continuing operations and planned growth.

Market risk

The Group has interest-bearing assets which are subject to a variable rate of interest. Accordingly, the Group is only exposed to interest rate risk, which is not expected to have a significant impact on profit or loss or equity. Cash is deposited with a blue chip institution with regular monitoring of exposure and risk.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. No credit limits were exceeded during the year, and management does not expect any losses from non-performance by such counterparties.

Liquidity risk

The Group keeps open avenues for securing debt finance to ensure that funds may be called upon if and when needed for operations. The board monitors the Group's liquidity position on the basis of expected cash flow on a regular basis.

The following table analyses the Group's financial liabilities, placed into relevant maturity groupings based on the remaining period to maturity at 31 March. The amounts disclosed are the contractual undiscounted cash flows:

	Less than 1 year £	Between 1 & 2 yrs £	Between 2 & 5 yrs £	Over 5 yrs £
At 31 March 2025				
Trade and other payables	**573,834**	**–**	**–**	**–**
Lease liabilities	**40,708**	**61,769**	**–**	**–**
At 31 March 2024				
Trade and other payables	630,818	–	–	–
Lease liabilities	38,464	40,865	–	–

Notes to the Financial Statements (continued)

1. Financial Risk Management (continued)

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders. The Group defines capital as share capital plus reserves. The Group is not subject to any externally imposed capital requirements. The board monitors levels of cash and any excess levels have historically been used for acquisitions, but more recently for share buy-backs and special dividends.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The directors are required to make estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgement or complexity and areas where assumptions are significant to the production of these financial statements are disclosed below.

Impairment of goodwill

An impairment of goodwill has the potential to significantly impact upon the Group's statement of comprehensive income for the year. To determine whether impairments are required the directors estimate the recoverable amount of the goodwill. This calculation is based on the directors' expectations of future revenues and margins based on the results forecast for a three-year period ending 31 March 2028 with the forecast performance for the third year, 2027/28, being assumed to continue into perpetuity. Full details are disclosed in note 6.

Provision for obsolete and slow-moving stock

Stock of £29,960 (2024: £38,611) has been identified as slow moving within B2BSG and a provision has been made against this stock to cover potential obsolescence. The stock provision will be monitored and updated regularly.

The risks of material adjustment to the provision in the next financial year are as follows:

i) Changes in technology rendering current stock technologically obsolete; and

ii) Customers changing their existing systems which would mean elements of current maintenance stock are unable to be utilised.

3. Segmental reporting

IFRS 8 requires that operating segments be identified based on internal reporting and decision-making. PHSC plc's operating segments are by subsidiary company as the directors and management team receive and make decisions based on monthly management accounts by subsidiary.

The following table shows the Group's revenue and results for the year under review analysed by operating segment. Segment operating profit represents the trading profit after depreciation, but before tax and management charges. The management charges represent Group overheads and are reflected in the operating loss of the parent Company. All revenue arose in the UK and all assets are located in the UK. There is an element of liabilities that derive from foreign currency due to one subsidiary sourcing goods overseas.

Year ended 31 March 2025

	Revenue £'000	Depreciation £'000	Operating profit/(loss) £'000	Net interest £'000	Profit/(loss) before tax £'000	Current taxation £'000	Deferred taxation £'000	Goodwill impairment £'000	Profit after tax £'000
Security division - B2BSG	**737**	**2**	**2**	**–**	**2**	**10**	**(4)**	**–**	
Health and safety division									
ISL	**272**	**11**	**55**	**–**	**55**	**(11)**	**–**	**–**	
PHSCL	**738**	**7**	**203**	**–**	**203**	**(36)**	**–**	**–**	
QLM	**341**	**13**	**51**	**–**	**51**	**(8)**	**1**	**–**	
RSA	**397**	**14**	**76**	**–**	**77**	**(13)**	**–**	**–**	
	1,748	**45**	**385**	**–**	**386**	**(68)**	**1**	**–**	
Quality systems division - QCS	**735**	**19**	**74**	**–**	**74**	**(12)**	**1**	**(110)**	
Holding company - PHSC plc	**–**	**12**	**(496)**	**17**	**(479)**	**72**	**1**	**–**	
Total	**3,220**	**78**	**(35)**	**17**	**(17)**	**2**	**(1)**	**(110)**	**(126)**

Year ended 31 March 2024

	Revenue £'000	Depreciation £'000	Operating profit/(loss) £'000	Net interest £'000	Profit/(loss) before tax £'000	Current taxation £'000	Deferred taxation £'000	Goodwill impairment £'000	Profit after tax £'000
Security division - B2BSG	1,179	1	154	–	154	–	1	–	
Health and safety division									
ISL	224	12	15	–	15	(1)	–	–	
PHSCL	862	7	364	–	364	(76)	–	–	
QLM	392	11	112	–	112	(16)	(6)	–	
RSA	345	13	36	–	36	(3)	–	(120)	
	1,823	43	527	–	527	(96)	(6)	(120)	
Quality systems division - QCS	777	18	250	–	250	(55)	–	–	
Holding company - PHSC plc	–	13	(496)	17	(479)	72	1	–	
Total	**3,779**	**75**	**435**	**17**	**452**	**(79)**	**(4)**	**(120)**	**249**

Notes to the Financial Statements (continued)

3. Segmental reporting (continued)

The table below shows assets and liabilities by subsidiary, exclusive of inter-company balances.

As at 31 March 2025

	Non-current asset additions £'000	Non current assets £'000	Current assets £'000	**Total assets £'000**	Current liabilities £'000	Non-current liabilities £'000	**Total liabilities £'000**	Net operating assets/ (liabilities) £'000
Security division - B2BSG	7	13	415	**428**	(90)	–	**(90)**	338
Health and safety division								
ISL	–	10	77	**87**	(88)	(1)	**(89)**	(2)
PHSCL	4	12	180	**192**	(69)	(2)	**(71)**	121
QLM	3	31	99	**130**	(96)	(10)	**(106)**	24
RSA	1	451	93	**544**	(70)	(9)	**(79)**	465
	8	504	449	**953**	(323)	(22)	**(345)**	608
Quality systems division - QCS	70	81	137	**218**	(142)	(50)	**(192)**	26
Holding company - PHSC plc	–	2,445	239	**2,684**	(57)	(47)	**(104)**	2,580
Sub-total	85	3,043	1,240	**4,283**	(612)	(119)	**(731)**	3,552
Consolidation adjustments								
To goodwill	–	(526)	–	**(526)**	–	–	**–**	(526)
To deferred tax	–	2	–	**2**	–	(7)	**(7)**	(5)
Total	85	2,519	1,240	**3,759**	(612)	(126)	**(738)**	3,021

As at 31 March 2024

	Non-current asset additions £'000	Non current assets £'000	Current assets £'000	**Total assets £'000**	Current liabilities £'000	Non-current liabilities £'000	**Total liabilities £'000**	Net operating assets/ (liabilities) £'000
Security division - B2BSG	–	11	575	**586**	(77)	–	**(77)**	509
Health and safety division								
ISL	18	20	57	**77**	(76)	(9)	**(85)**	(8)
PHSCL	4	16	243	**259**	(100)	(6)	**(106)**	153
QLM	51	42	106	**148**	(126)	(17)	**(143)**	5
RSA	34	491	88	**579**	(70)	(18)	**(88)**	491
	107	569	494	**1,063**	(372)	(50)	**(422)**	641
Quality systems division - QCS	3	30	170	**200**	(218)	(3)	**(221)**	(21)
Holding company - PHSC plc	1	2,673	264	**2,937**	(82)	(48)	**(130)**	2,807
Sub-total	111	3,283	1,503	**4,786**	(749)	(101)	**(850)**	3,936
Consolidation adjustments								
To goodwill	–	(656)	–	**(656)**	–	–	**–**	(656)
To deferred tax	–	2	–	**2**	–	(7)	**(7)**	(5)
Total	111	2,629	1,503	**4,132**	(749)	(108)	**(857)**	3,275

4. Auditor's remuneration

	31.3.25 £	31.3.24 £
Audit		
Fees payable to the Company's auditor for the audit of the annual parent Company and consolidated accounts	**64,000**	55,000
Total audit	**64,000**	55,000
Tax		
Tax compliance services	**–**	6,500
iXBRL tagging services	**2,500**	2,500
Total tax	**2,500**	9,000
Total	**66,500**	64,000

As mentioned in the audit committee report on page 14, a change in legislation affecting AIM quoted companies required tax compliance services for the year ended 31 March 2025 to be provided by someone other than our auditors. Barnes Roffe were appointed during the year to replace Crowe in this respect.

Notes to the Financial Statements (continued)

5. Property, plant and equipment

	Freehold property £	Improvements to property £	Fixtures and equipment £	Motor vehicles £	Right of use assets £	Totals £
COST						
At 1 April 2023	571,270	100,132	131,309	–	167,272	969,983
Additions	–	–	10,112	29,499	71,043	110,654
Disposals	–	–	(25,840)	–	(17,645)	(43,485)
At 31 March 2024	571,270	100,132	115,581	29,499	220,670	1,037,152
Additions	–	–	15,399	–	69,750	85,149
Disposals	–	–	(10,341)	–	–	(10,341)
At 31 March 2025	**571,270**	**100,132**	**120,639**	**29,499**	**290,420**	**1,111,960**
DEPRECIATION						
At 1 April 2023	214,418	65,337	105,017	–	116,721	501,493
Charge for year	8,838	7,642	8,396	7,375	42,264	74,515
Disposals	–	–	(22,986)	–	(17,645)	(40,631)
At 31 March 2024	223,256	72,979	90,427	7,375	141,340	535,377
Charge for year	8,838	7,642	9,828	5,531	46,602	78,441
Disposals	–	–	(8,956)	–	–	(8,956)
At 31 March 2025	**232,094**	**80,621**	**91,299**	**12,906**	**187,942**	**604,862**
NET BOOK VALUE						
At 31 March 2025	**339,176**	**19,511**	**29,340**	**16,593**	**102,478**	**507,098**
At 31 March 2024	348,014	27,153	25,154	22,124	79,330	501,775
At 31 March 2023	356,852	34,795	26,292	–	50,551	468,490

Depreciation expenses of £78,441 (2024: £74,515) are included in administrative expenses in the statement of comprehensive income.

The net book value of right of use assets includes £61,612 (2024: £4,698) in relation to short term lease hold property and £40,866 (2024: £74,631) in relation to motor vehicles.

6. Goodwill

	Goodwill £
COST	
At 1 April 2023 and 2024	5,514,547
Additions	–
At 31 March 2024 and 2025	**5,514,547**
IMPAIRMENT	
At 1 April 2023	3,279,502
Impairment	120,000
At 31 March 2024	3,399,502
Impairment	110,000
At 31 March 2025	**3,509,502**
NET BOOK VALUE	
At 31 March 2025	**2,005,045**
At 31 March 2024	2,115,045
At 31 March 2023	2,235,045

Impairment Tests for Goodwill

Goodwill is allocated to the Group's cash-generating units, identified according to subsidiary.

The following table shows a summary of the goodwill allocation by subsidiary:

	31.3.25 £	31.3.24 £
B2BSG Solutions Limited	**–**	–
Inspection Services (UK) Limited	**87,967**	87,967
Personnel Health & Safety Consultants Limited	**594,952**	594,952
QCS International Limited	**307,638**	417,638
Quality Leisure Management Limited	**582,844**	582,844
RSA Environmental Health Limited	**431,644**	431,644
Total goodwill for Group	**2,005,045**	2,115,045

Notes to the Financial Statements (continued)

6. Goodwill (continued)

Every year the board assesses the value of goodwill in the Group statement of financial position and forms a view as to whether this value is realistic and justifiable. The directors have estimated the value-in-use of goodwill by discounting estimated future cash flows in accordance with IFRS. Management have prepared forecasts for 2025-26 and have then assessed whether it is appropriate to assume that this level of performance will be maintained or improved over the following two years. Except for QCS, a growth factor of 2% has been applied and the forecast performance for the third year, 2027-28, is assumed to continue into perpetuity. The impairment review calculations use estimated future cashflows based on these forecasts with a terminal value being calculated using the year three expected cash flows. The cash flow projections are based on profits before inter group management charges but after tax and have been discounted using a post-tax discount rate of 15% (2024: 15%), taking into consideration the weighted average cost of capital (WACC). Post-tax cashflows and discount rates have been used and are considered to produce an equivalent outcome to the one that would have been obtained if pre-tax rates were used for both variables.

In respect of QCS, management have prepared forecasts for 2025-26 and, as there has been a decline in profits over the last three years, it was felt prudent to factor in nil growth for the following two years, before returning to an expected growth rate of 2% thereafter. The company has responded to the decline in revenues by investing in a new website and seeking opportunities for growth outside of Scotland, in both UK and international markets. Whilst it is hoped that these measures provide immediate stimulus, it was felt appropriate to allow time for the results to fully respond. The resulting cash flow required the goodwill value in QCS to be written down by £110,000 in the consolidated financial statements and the investment value of QCS by £120,000 in the PHSC plc company financial statements. The previous year, the goodwill value of RSA was written down by £120,000 in the consolidated financial statements and the investment value of QLM by £94,890 in PHSC Plc's company financial statements. There is no goodwill attached to B2BSG, and there is sufficient headroom in other trading subsidiaries to avoid a similar impairment requirement. The board remains confident in its valuations of all subsidiary companies.

Sensitivity analysis

The calculations are sensitive to movements in the discount rate and cash flows which may therefore ultimately result in an impairment charge to the income statement. A 20% reduction in revenue and an increase of 4% to the discount rate would result in additional impairment charges as follows:

	Reduction in cash flows of 20% £	Increase in discount rate 4% £
Quality Leisure Management Limited	113,165	103,143
RSA Environmental Health Limited	20,792	13,768

7. Stock

	31.3.25 £	31.3.24 £
Stock of finished goods	**219,940**	245,663

£29,960 of stock was provided for in the current year (2024: £38,611). The value of stock consumed and recognised as an expense was £356,330 (2024: £630,940).

8. Trade and other receivables

	31.3.25 £	31.3.24 £
Trade receivables	**511,056**	659,487
Less provision for impairment of trade receivables	**(1,090)**	–
Trade receivables (net)	**509,966**	659,487
Other debtors and prepayments	**74,048**	109,357
Total	**584,014**	768,844

At 31 March 2025 there were £1,090 of impaired trade receivables (2024: nil).

The ageing of receivables is as follows:

	31.3.25 £	31.3.24 £
Up to 3 months	**470,657**	574,159
3 to 6 months	**14,123**	69,343
Over 6 months	**25,186**	15,985
	509,966	659,487

Movement in the Group provision for impairment of trade receivables is as follows:

	31.3.25 £	31.3.24 £
At 1 April 2024	**–**	–
Increase in provision	**1,090**	–
At 31 March 2025	**1,090**	–

The creation and release of the provision for impaired receivables is included in administrative expenses in the statement of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. Debts older than 90 days have either been provided for or are considered fully recoverable based on the customer's payment history and current trading situation.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the year-end is the value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Trade receivables and contract assets are the only types of financial asset within the Group that are subject to IFRS 9's expected credit loss model. The Group has taken into consideration the requirements of IFRS 9 for these classes of asset; using the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. This did not lead to a material change in the impairment of trade receivables or contract assets.

Notes to the Financial Statements (continued)

9. Cash and cash equivalents

The cash balances for the purposes of the cash flow statement were as follows:

	31.3.25 £	31.3.24 £
Cash at bank and in hand	**434,795**	488,375

On 1 October 2008, PHSC plc entered into an unlimited multilateral guarantee with HSBC Bank plc (see note 14).

10. Trade and other payables

	31.3.25 £	31.3.24 £
Trade payables	**122,688**	121,855
Social security and other taxes	**148,177**	168,307
Other payables	**11,211**	8,984
Accruals	**78,343**	102,330
Contract liabilities	**213,415**	229,342
Total	**573,834**	630,818

11. Leases

	Land & Buildings £	Motor Vehicles £	**Total £**
Year ended 31 March 2025			
Amounts due within 1 year - right of use lease liabilities	13,950	26,758	**40,708**
Amounts due within 1-2 years - right of use lease liabilities	13,950	14,106	**28,056**
Amounts due within 2-5 years - right of use lease liabilities	33,713	–	**33,713**
Total	61,613	40,864	**102,477**

	Land & Buildings £	Motor Vehicles £	Total £
Year ended 31 March 2024			
Amounts due within 1 year - right of use lease liabilities	4,698	33,766	38,464
Amounts due within 1-2 years - right of use lease liabilities	–	26,758	26,758
Amounts due within 2-5 years - right of use lease liabilities	–	14,107	14,107
Total	4,698	74,631	79,329

The leases are secured against the underlying assets.

12. Deferred tax

	Tax losses carried forward £	Accelerated capital allowances £	Other short-term temporary differences £	**Total £**
Deferred tax asset				
At 1 April 2023	2,017	–	9,537	**11,554**
Credited to income statement	–	–	816	**816**
At 31 March 2024	2,017	–	10,353	**12,370**
Charged to income statement	–	–	(3,469)	**(3,469)**
At 31 March 2025	2,017	–	6,884	**8,901**

	Provision for revalued properties £	Accelerated capital allowances £	Intangible assets £	Total £
Deferred tax liabilities				
At 1 April 2023	34,948	3,723	23,552	**62,223**
Debited to income statement	–	5,067	–	**5,067**
At 31 March 2024	34,948	8,790	23,552	**67,290**
Credited to income statement	–	(2,483)	–	**(2,483)**
At 31 March 2025	34,948	6,307	23,552	**64,807**

Deferred tax has been provided at 25% (2024: 25%).

The Group has unrecognised deferred tax assets of £5,938 (2024: £5,938).

13. Called up share capital

Called up, allotted and fully paid

	Number of shares (Nominal value of 10p each)	Ordinary shares £	Share premium £	**Total £**
At 1 April 2023	11,847,019	1,184,704	1,916,017	**3,100,721**
Purchase of own shares	(812,782)	(81,278)	–	**(81,278)**
At 31 March 2024	11,034,237	1,103,426	1,916,017	**3,019,443**
Purchase of own shares	(753,384)	(75,338)	–	**(75,338)**
At 31 March 2025	10,280,853	1,028,088	1,916,017	**2,944,105**

The authorities granted by shareholders at the 2022 AGM and 2023 AGM were utilised to implement two share buyback programmes during the year ended 31 March 2024, funded from the surplus cash held on account.

The first was announced on 15 August 2023 and completed on 23 August 2023. Over that period, the Company's broker was able to repurchase a total of 812,782 ordinary shares on the Company's behalf for a total consideration (including costs) of £208,555. The repurchased shares were initially held in treasury but were subsequently cancelled on 29 September 2023.

The second was announced on 19 March 2024 and completed on 28 March 2024. Over that period, the Company's broker was able to repurchase a total of 753,384 ordinary shares on the Company's behalf for a total consideration (including costs) of £209,977. The repurchased shares were initially held in treasury but were subsequently cancelled on 11 June 2024.

14. Financial liabilities

On 1 October 2008, PHSC plc entered an unlimited multilateral guarantee with HSBC Bank plc. Interest is charged on each bank account on a standalone basis necessitating funds be moved between Group companies to avoid any interest charges. These movements occur through inter-company accounts, resulting in some relatively large inter-company balances at the year end. The Group has an overdraft facility of £50,000 which is secured by a debenture including a fixed charge over certain freehold and leasehold property; a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a first floating charge over all assets and undertakings both present and future. The overdraft facility is next scheduled for review in October 2025.

15. Expenses by nature

	31.3.25 £	31.3.24 £
Direct costs	**672,981**	1,007,532
Staff related costs	**1,767,651**	1,575,440
Premises costs	**80,773**	64,947
Professional fees	**275,995**	240,179
Other expenses	**378,913**	381,129
Depreciation	**78,441**	74,515
Impairment	**110,000**	120,000
Total	**3,364,754**	3,463,742
Cost of sales	**1,545,752**	1,763,210
Administrative expenses (including goodwill impairment)	**1,819,002**	1,700,532
Total	**3,364,754**	3,463,742

16. Employees

Staff costs (including executive directors)

	31.3.25 £	31.3.24 £
Wages and salaries	**1,481,815**	1,338,092
Social security costs	**155,562**	136,446
Other pension costs	**95,332**	74,694
	1,732,709	1,549,232

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

Directors of PHSC plc and subsidiary companies	**7**	7
Consultants	**17**	17
Administrative	**15**	14
Total	**39**	38

The aggregate compensation for key management, being the members of the board of PHSC plc and the directors of the subsidiary companies (including de facto directors), was as follows:

	31.3.25 £	31.3.24 £
Short-term employee benefits	**414,646**	400,875
Post-employment benefits	**70,862**	39,758
Total	**485,508**	440,633

17. Directors' remuneration

Directors of PHSC plc only

	31.3.25 £	31.3.24 £
Emoluments	**164,850**	168,325
Pension contributions to money purchase schemes	**46,795**	24,897
Total	**211,645**	193,222

The remuneration of the executive directors of PHSC plc, from all Group companies, was as follows:

	Short term employee benefits							
	Salary £	Bonus £	Waiver/ voluntary reduction £	Pension Salary Sacrifice £	Benefits £	Post employment benefits Pension £	**Year ended 31.3.25 Total £**	Year ended 31.3.24 Total £
N C Coote	90,049	6,950	–	(38,797)	2,614	41,360	**102,176**	95,419
S A King	61,026	6,950	(1,000)	(600)	2,104	1,435	**69,915**	63,841

The benefits relate to health insurance. Stephen King's bonus was added to salary whereas Nicola Coote opted to take her bonus as a pension contribution.

The fees of the non-executive directors were as follows:

	31.3.25 £	31.3.24 £
F Moxon (from 01.10.24)	**10,000**	–
G N Webb (to 30.09.24)	**9,777**	16,981
L E Young	**20,542**	16,981
Total	**40,319**	33,962

18. Finance income

	31.3.25 £	31.3.24 £
Finance income		
Bank interest receivable	**17,170**	17,309

19. Taxation

Analysis of tax (credit)/charge in the year

	31.3.25 £	31.3.24 £
Current tax:		
UK corporation tax (credit)/charge on (loss)/profits in the year	**(2,007)**	79,271
Adjustments in respect of previous year	**(198)**	30
Total current tax (credit)/charge	**(2,205)**	79,301
Deferred tax:		
Origination and reversal of temporary differences	**986**	4,251
Total deferred tax charge	**986**	4,251
Tax (credit)/charge on (loss)/profit on ordinary activities	**(1,219)**	83,552

Reconciliation of tax on ordinary activities

The relationship between expected tax expense based on the effective tax rate of PHSC plc at 25% (2024: 25%) and the tax expense recognised in the income statement can be reconciled as follows:

	31.3.25 £	31.3.24 £
Reconciliation of tax on ordinary activities		
(Loss)/profit before tax	**(127,419)**	332,317
Tax on (loss)/profit on ordinary activities at standard rate of corporation tax of 25% (2024: 25%)	**(31,855)**	83,079
Effects of:		
Depreciation on non-qualifying assets	**2,210**	2,306
Expenses not deductible for tax purposes	**28,490**	30,222
Adjustment to tax in respect of previous periods	**(198)**	30
Fixed asset differences	**237**	237
Marginal relief	**(103)**	(643)
Losses brought forward utilised	**–**	(31,679)
Total tax (credit)/charge	**(1,219)**	83,552

Notes to the Financial Statements (continued)

20. (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	31.3.25	31.3.24
(Loss)/profit attributable to equity holders of the Group (£)	**(126,200)**	248,765
Weighted average number of ordinary shares in issue	**10,429,466**	11,357,413
Basic (loss)/earnings per share (pence per share)	**(1.21p)**	2.19p

There are no dilutive shares, options or warrants in issue.

21. Dividends

A final dividend of 1.25p was paid in October 2024 in respect of the year ended 31 March 2024. There was no interim dividend paid in respect of the year ended 31 March 2025 and the board proposes that no final dividend is paid in respect of this year either.

22. Related party disclosures

PHSC plc dividends paid to directors

	31.3.25 £	31.3.24 £
N C Coote	**27,455**	41,160
S A King	**24,603**	37,534
G N Webb MBE	**244**	341
	52,302	79,035

23. Ultimate controlling party

There is no ultimate controlling party, but the largest shareholder, Ms N Coote, currently holds 21.36% (2024: 21.36%) of the issued ordinary share capital of PHSC plc.

24. Financial instruments

Set out below are the Group's financial instruments (excluding lease liabilities shown separately in note 11)

	31.3.25 £	31.3.24 £
Financial assets at amortised cost		
Trade and other receivables	**584,014**	768,844
Cash and cash equivalents	**434,795**	488,375
	1,018,809	1,257,219
Financial liabilities at amortised cost		
Trade and other payables	**573,834**	630,818
	573,834	630,818
Due within 1 year	**573,834**	630,818
Due in over 1 year	**–**	–
	573,834	630,818

25. Revenue

Set out below is a breakdown of revenue:

	31.3.25 £	31.3.24 £
Health and safety services	**1,747,911**	1,823,027
Quality systems services	**735,156**	776,942
Security related products	**737,098**	1,178,781
	3,220,165	3,778,750

The split of revenue is in line with the segmental analysis in note 3.

25. Revenue (continued)

The following table provides information about receivables, contract assets and contract liabilities with customers:

	31.3.25 £	31.3.24 £
Receivables which are included in 'trade and other receivables'	**509,966**	659,487
Contract assets	**–**	–
Contract liabilities	**213,415**	229,342

Contract assets relate to uninvoiced work carried out at the reporting date where performance obligations had been met. Contract liabilities relate to deferred revenue in respect of ongoing services where the revenue is being recognised across the term of the customer contract.

Significant changes in the contract assets and contract liabilities balances during the period are as follows:

	31.3.25 £	31.3.24 £
Revenue deferred into future periods	**(213,415)**	(229,342)
Revenue accrued in current period		–
Deferred revenue recognised in the period	**229,342**	235,054

The performance obligations for all revenues that have been deferred into future periods have been satisfied by the following year end as the performance obligations on the contracts are no longer than one year in length. There are no impairment losses in relation to the contract assets recognised under IFRS 15.

Company Statement of Financial Position

as at 31 March 2025

	Note	31.3.25 £	31.3.24 £
Non–Current Assets			
Property, plant and equipment	9	**347,734**	360,601
Investments	10	**2,097,388**	2,217,388
		2,445,122	2,577,989
Current Assets			
Trade and other receivables	11	**1,232,048**	865,418
Cash and cash equivalents	12	**204,326**	230,352
Current corporation tax receivable		**2,091**	–
		1,438,465	1,095,770
Total Assets		**3,883,587**	3,673,759
Current Liabilities			
Trade and other payables	13	**171,060**	200,232
		171,060	200,232
Non-Current Liabilities			
Deferred taxation	14	**47,026**	47,714
		47,026	47,714
Total Liabilities		**218,086**	247,946
Net Assets		**3,665,501**	3,425,813
Capital and reserves attributable to equity holders of the Group			
Called up share capital	15	**1,028,088**	1,103,426
Share premium account	15	**1,916,017**	1,916,017
Capital redemption reserve		**583,266**	507,928
Merger relief reserve		**133,836**	133,836
Treasury shares		**–**	(209,977)
Retained earnings		**4,294**	(25,417)
		3,665,501	3,425,813

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the parent Company statement of comprehensive income. The profit for the year was £368,087 (2024: profit of £13,705).

Approved and authorised for issue by the board on 17 July 2025 and signed on its behalf by:

N C Coote
Director

Company Statement of Changes in Equity

for the year ended 31 March 2025

	Share Capital £	Share Premium £	Merger Relief Reserve £	Capital Redemption Reserve £	Treasury Shares £	Retained Earnings £	Total £
Balance at 1 April 2024	1,103,426	1,916,017	133,836	507,928	(209,977)	(25,417)	3,425,813
Profit for year attributable to equity holders	–	–	–	–	–	368,087	368,087
Cancellation of own shares	(75,338)	–	–	75,338	209,977	(209,977)	–
Dividends paid	–	–	–	–	–	(128,399)	(128,399)
Balance at 31 March 2025	**1,028,088**	**1,916,017**	**133,836**	**583,266**	**–**	**4,294**	**3,665,501**
Balance at 1 April 2023	1,184,704	1,916,017	133,836	426,650	–	362,443	4,023,650
Profit for year attributable to equity holders	–	–	–	–	–	13,705	13,705
Purchase of own shares - August 23	(81,278)	–	–	81,278	–	–	–
Cancellation of treasury shares - August 23	–	–	–	–	–	(208,555)	(208,555)
Cancellation of own shares - March 24	–	–	–	–	(209,977)	–	(209,977)
Dividends paid	–	–	–	–	–	(193,010)	(193,010)
Balance at 31 March 2024	1,103,426	1,916,017	133,836	507,928	(209,977)	(25,417)	3,425,813

Company Statement of Cash Flows

for the year ended 31 March 2025

	Note	31.3.25 £	31.3.24 £
Cash flows from operating activities:			
Cash from operations	I	**15,644**	247,015
Group tax relief receipt		**69,725**	71,894
Net cash from operating activities		**85,369**	318,909
Cash flows from investing activities			
Purchase of property, plant and equipment		**(166)**	(874)
Interest received		**17,170**	17,299
Net cash from investing activities		**17,004**	16,425
Cash flows used by financing activities			
Dividends paid to Group shareholders		**(128,399)**	(193,010)
Purchase of own shares		**–**	(418,532)
Net cash used by financing activities		**(128,399)**	(611,542)
Net decrease in cash and cash equivalents		**(26,026)**	(276,208)
Cash and cash equivalents at beginning of year		**230,352**	506,560
Cash and cash equivalents at year end		**204,326**	230,352

All changes in liabilities arising from financing relate entirely to cash movements.

Note to the Company Statement of Cash Flows

for the year ended 31 March 2025

	31.3.25 £	31.3.24 £
I. Cash from operations		
Loss before taxation and interest	**(436,587)**	(411,048)
Depreciation charge	**12,835**	13,199
Loss on sale of fixed assets	**198**	–
Investment impairment	**120,000**	94,890
Dividends from subsidiaries	**715,000**	335,000
(Increase)/decrease in trade and other receivables	**(366,630)**	122,533
(Decrease)/increase in trade and other payables	**(29,172)**	92,441
Cash from operations	**15,644**	247,015

Notes to the Financial Statements

for the year ended 31 March 2025

1. Basis of preparation

The Company's financial statements have been prepared in accordance with UK adopted international accounting standards and under the historical cost convention except as noted below.

The preparation of financial statements in conformity with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 18.

The Company has elected to apply the exemption under section 408 of the Companies Act 2006 to not present the Parent Company statement of comprehensive income. The loss for the year before dividends received from subsidiaries (2025: £715,000; 2024: £335,000) was £346,913 (2024: loss of £321,295). There were no items of other comprehensive income in either period.

Company law requires the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they have considered a period up to 12 months from the date of signing these financial statements and any severe but plausible downside factors and that the going concern basis remains appropriate. In accordance with Financial Reporting Council guidance the directors have provided reasons for this opinion in the going concern section of the strategic report on page 5.

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

2. Accounting policies

Revenue

Management charge income is recognised when the service the Company has provided is fulfilled.

Deferred income tax

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss under a business combination or this does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates and laws that have been substantially enacted by the statement of financial position date, and that are expected to apply when the temporary difference reverses.

Pensions

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

Property, plant and equipment

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

Property:	
Freehold land and buildings	■ 2% of cost on a straight-line basis
Improvements to property	■ on a straight-line basis (10% of cost if expected useful life is shorter than the lease term)
Plant and equipment	■ 25% reducing balance basis

Investments

Investments in subsidiary undertakings are stated at cost less amounts provided for any impairment in value. An impairment review is carried out each year.

Impairment of tangible assets and investments

An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Impairment losses are charged to administrative expenses.

Taxation

Current income tax assets/liabilities comprise those claims from or obligations to fiscal authorities relating to the current or prior reporting periods, that are receivable/unpaid at the statement of financial position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Financial instruments

Trade receivables and contract assets are initially stated at the transaction price and subsequently measured at amortised cost using the effective interest method. The carrying amounts for accounts receivable are net of allowances for expected credit losses. The Company evaluated the expected credit losses on trade receivables by reviewing historical data, adjusted for forward-looking factors with respect to debtors and the economic environment. Individual receivables are only written off when management deems them to be uncollectable.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The proceeds of share issues received net of any directly attributable transaction costs are credited to share capital at nominal value and the excess credited to the share premium account. The capital redemption reserve arose when the Company repurchased some of its own shares. At that point, the nominal value of those shares was transferred to the capital redemption reserve. The merger relief reserve represents the premium of any shares issued in part consideration on acquisitions in accordance with section 612 of the Companies Act 2006.

Dividends

Dividends received from subsidiary companies are recognised at the point that the right to receive the dividend has been established.

Notes to the Financial Statements (continued)

3. Revenue

The revenue of the Company during the year was generated in the UK and derives from the management charge levied on its subsidiary companies and is recognised when the service is delivered.

4. Profit before taxation

The profit before taxation is stated after charging:

	31.3.25 £	31.3.24 £
Depreciation - owned assets	**12,835**	13,199

5. Directors' remuneration

Full details are given on page 15 of the Group accounts.

6. Staff costs

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

	31.3.25 £	31.3.24 £
Directors	**4**	4
Consultants	**1**	1
Administration	**3**	2
	8	7

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**189,770**	185,728
Social security costs	**21,894**	20,552
Other pension costs	**20,162**	20,504
	231,826	226,784

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

7. Auditor's remuneration

Full details are given on page 35 of the Group accounts.

8. Finance income

	31.3.25 £	31.3.24 £
Finance income		
Interest receivable	**17,170**	17,299

9. Tangible fixed assets

	Freehold land and buildings £	Freehold improvements £	Fixtures and equipment £	Total £
COST				
At 1 April 2023	441,908	42,814	19,157	503,879
Additions	–	–	874	874
At 31 March 2024	441,908	42,814	20,031	504,753
Additions	–	–	166	166
Disposals	–	–	(625)	(625)
At 31 March 2025	**441,908**	**42,814**	**19,572**	**504,294**
DEPRECIATION				
At 1 April 2023	85,056	32,340	13,557	130,953
Charge for year	8,838	2,742	1,619	13,199
At 31 March 2024	93,894	35,082	15,176	144,152
Charge for year	8,838	2,742	1,255	12,835
Depreciation on disposals	–	–	(427)	(427)
At 31 March 2025	**102,732**	**37,824**	**16,004**	**156,560**
NET BOOK VALUE				
At 31 March 2025	**339,176**	**4,990**	**3,568**	**347,734**
At 31 March 2024	348,014	7,732	4,855	360,601
At 31 March 2023	356,852	10,474	5,600	372,926

10. Investment in subsidiary undertakings

Investment in shares of subsidiary undertakings

	31.3.25 £	31.3.24 £
At 1 April 2024	**2,217,388**	2,312,278
Impairment of investment in QCS	**(120,000)**	–
Impairment of investment in QLM	**–**	(94,890)
At 31 March 2025	**2,097,388**	2,217,388

Every year the board assesses the value of investments in subsidiary undertakings in the Company's statement of financial position and forms a view as to whether each value is realistic and justifiable. As detailed on page 38 of the Group accounts, the board determined that it must write down the investment value of QCS by £120,000 in PHSC plc's company financial statements. The board remains confident in its valuations of all other subsidiary companies.

Investments in subsidiary undertakings are stated at cost and include the following:

Name of Company	Class of shares held	Proportion of voting rights held	Registered office
B2BSG Solutions Limited*	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
Camerascan CCTV Limited	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
Envex Company Limited	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
In House The Hygiene Management Company Limited	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
Inspection Services (UK) Limited*	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
Personnel Health & Safety Consultants Limited*	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
Quality Leisure Management Limited*	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
QCS International Limited*	Ordinary	100%	9 Cumbernauld Business Park, Cumbernauld, North Lanarkshire, Scotland G67 3JZ
RSA Environmental Health Limited*	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
Safetymark Certification Services Limited	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR
SG Systems (UK) Limited	Ordinary	100%	The Old Church, 31 Rochester Road, Aylesford, Kent, ME20 7PR

* Trading companies

For the year ended 31 March 2025, the Group made use of an exemption from audit under section 479A of the Companies Act 2006 relating to the trading subsidiary companies. The Parent Company under this exemption has given guarantees for all the above-referenced trading subsidiaries where an audit would have been required by law for the year ended 31 March 2025.

11. Trade and other receivables

	31.3.25 £	31.3.24 £
Amount owed by subsidiary undertakings	**1,199,952**	831,393
Other debtors and prepayments	**32,096**	34,025
	1,232,048	865,418

The amount owed by subsidiary undertakings is subject to IFRS 9's expected credit loss model. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all balances owed from subsidiary undertakings. This did not lead to a material change in the assessment of the potential impairment of amounts owed from subsidiary undertakings, such that no adjustment has been made.

12. Cash and cash equivalents

	31.3.25 £	31.3.24 £
Bank	**204,326**	230,352

On 1 October 2008, PHSC plc entered an unlimited multilateral guarantee with HSBC Bank plc. Interest is charged on each account on a standalone basis necessitating funds to be moved between Group companies to avoid any interest charges. These movements occur through inter-company accounts which results in some relatively large inter-company balances at the year end. The Group has an overdraft facility of £50,000 which is secured by a debenture including a fixed charge over certain freehold and leasehold property; a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a first floating charge over all assets and undertakings both present and future. The overdraft is next scheduled for review in October 2025. On 31 March 2025, PHSC plc's Company balance was £204,326 (2024: £230,352) within the Group's cash at bank and in hand figure of £434,795 (2024: £488,375).

13. Trade and other payables

	31.3.25 £	31.3.24 £
Trade payables	**11,161**	7,773
Social security and other taxes	**1,463**	9,211
Amounts owed to Group undertakings	**113,921**	118,702
Other payables	**3,078**	1,940
Accruals	**41,437**	62,606
	171,060	200,232

Notes to the Financial Statements (continued)

14. Deferred taxation

	31.3.25 £	31.3.24 £
Deferred taxation - accelerated capital allowances	**47,026**	47,714
At 1 April 2024	**47,714**	48,274
Deferred tax credit in year	**(688)**	(560)
At 31 March 2025	**47,026**	47,714

15. Share capital

Called up, allotted and fully paid

	Number of shares (Nominal value of 10p each)	Ordinary shares £	Share premium £	Total £
At 1 April 2023	11,847,019	1,184,704	1,916,017	**3,100,721**
Purchase of own shares	(812,782)	(81,278)	–	**(81,278)**
At 31 March 2024	11,034,237	1,103,426	1,916,017	**3,019,443**
Purchase of own shares	(753,384)	(75,338)	–	**(75,338)**
At 31 March 2025	10,280,853	1,028,088	1,916,017	**2,944,105**

The authorities granted by shareholders at the 2022 AGM and 2023 AGM were utilised to implement two share buyback programmes during the year ended 31 March 2024.

The first was announced on 15 August 2023 and completed on 23 August 2023. Over that period, the Company's broker was able to repurchase a total of 812,782 ordinary shares on the Company's behalf for a total consideration (including costs) of £208,555. The repurchased shares were initially held in treasury but were subsequently cancelled on 29 September 2023.

The second was announced on 19 March 2024 and completed on 28 March 2024. Over that period, the Company's broker was able to repurchase a total of 753,384 ordinary shares on the Company's behalf for a total consideration (including costs) of £209,977. The repurchased shares were cancelled on 11 June 2024 thereby reducing the number of ordinary shares in issue to 10,280,853. The buyback programmes were funded from the surplus cash held on account.

16. Related party disclosures

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

	31.3.25 £	31.3.24 £
Management charge from PHSC plc to subsidiary companies	**180,000**	180,000

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

	31.3.25 £	31.3.24 £
Amounts owed by Group undertakings		
B2BSG Solutions Limited	**9,000**	53,410
Camerascan CCTV Limited	**229,701**	229,701
In House the Hygiene Management Company Limited	**469,304**	469,304
Inspection Services (UK) Limited	**–**	4,594
Personnel Health & Safety Consultants Limited	**207,668**	55,404
QCS International Limited	**197,879**	–
Quality Leisure Management Limited	**54,197**	–
RSA Environmental Health Limited	**32,203**	18,980
	1,199,952	831,393

	31.3.25 £	31.3.24 £
Amounts owed to Group undertakings		
B2BSG Solutions Limited	**95,736**	–
Inspection Services (UK) Limited	**18,185**	–
QCS International Limited	**–**	70,512
Quality Leisure Management Limited	**–**	48,190
	113,921	118,702
PHSC plc received dividends from subsidiaries as follows:		
Inspection Services (UK) Limited	**35,000**	–
Personnel Health & Safety Consultants Limited	**300,000**	175,000
QCS International Limited	**250,000**	100,000
Quality Leisure Management Limited	**100,000**	50,000
RSA Environmental Health Limited	**30,000**	10,000
	715,000	335,000
PHSC plc dividends were paid to directors as follows:		
N C Coote	**27,455**	41,160
S A King	**24,603**	37,534
G N Webb MBE	**244**	341
	52,302	79,035

17. Financial instruments

Set out below are the Company's financial instruments:

	31.3.25 £	31.3.24 £
Financial assets at amortised cost		
Other receivables	**1,232,048**	865,418
	1,232,048	865,418
Financial liabilities at amortised cost		
Trade and other payables	**171,060**	200,232
	171,060	200,232
Due within 1 year	**171,060**	200,232
	171,060	200,232

Full details of the overdraft facility can be found in note 12.

The main risk arising from the Company's financial instruments is liquidity risk. The Company seeks to manage this risk by ensuring that sufficient liquidity is available from current banking facilities to meet foreseeable needs and to invest cash assets safely and profitably. This policy has remained unchanged from previous periods.

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

18. Critical accounting estimates and judgements

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

Impairment of investments

An impairment of investments has the potential to significantly impact upon the Company's statement of comprehensive income for the year. The directors have estimated the value-in-use of investments by discounting estimated future cash flows in accordance with IFRS. Management have prepared forecasts for 2025-26 and have then assessed whether it is appropriate to assume that this level of performance will be maintained or improved over the following two years. Except for QCS, a growth rate of 2% has been applied and forecast performance for the third year, 2027-28, is assumed to continue into perpetuity. The impairment review calculations use estimated future cashflows based on these forecasts with a terminal value being calculated using the year 3 expected cash flows. The cash flow projections are based on profits before inter group management charges but after tax and have been discounted using a discount rate of 15% (2024: 15%), considering the weighted average cost of capital (WACC). In respect of QCS, as there has been a decline in profits over the last three years, it was felt prudent to factor in nil growth for 2026-27 and 2027-28, before returning to an expected growth rate of 2% thereafter.

19. Parent undertaking

There is no ultimate controlling party but the largest shareholder, Ms N Coote currently owns 21.36% (2024: 21.36%) of the issued ordinary share capital of PHSC plc.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the AGM of PHSC plc will be held at 10.00 am on Thursday 25 September 2025 at The Old Church, 31 Rochester Road, Aylesford, Kent ME20 7PR to consider the following resolutions of which resolutions 1 to 6 will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as special resolutions.

1. To receive the annual report and audited accounts for the year ended 31 March 2025.

2. To elect Frank Moxon as a director.

3. To re-elect Nicola Coote as a director.

4. To re-elect Lorraine Young as a director.

5. To reappoint Crowe UK LLP as auditor to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the members and to authorise the directors to determine their remuneration.

6. THAT, in substitution for any existing such authority, the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to a total nominal amount of £342,695.10 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the AGM in 2026 or 15 months from the passing of this Resolution, whichever is earlier, but so that the authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted, rights to be granted or securities to be converted after such expiry and notwithstanding such expiry the directors may allot shares, grant rights or convert securities under such offers or agreements.

Special resolutions

7. THAT, subject to and conditional upon the passing as an ordinary resolution of resolution number 6 above as set out in this notice of meeting the directors be empowered under section 570 of the Companies Act 2006 (the Act) to allot equity securities (as defined in section 560 of the Act) for cash; under the authority conferred by resolution 6 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

   (a) the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of ordinary shares on the register of members at such record date(s) as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on any such record date(s), subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and

   (b) the allotment (otherwise than under sub-paragraph (a) above) of equity securities and/or the sale and transfer of shares held by the Company in treasury (as the directors shall deem appropriate) to any person or persons up to an aggregate nominal amount of £205,617.06,

   such power to expire at the conclusion of the AGM of the Company in 2026 or 15 months from the passing of this Resolution, whichever is earlier, unless such power is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; 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 under such offers or agreements.

8. THAT, the Company be generally and unconditionally authorised to make market purchases (as defined in the Companies Act 2006) of ordinary shares of 10 pence each in the capital of the Company ("ordinary shares") on such terms and in such manner as the directors may from time to time determine, provided that:

   (a) the maximum number of ordinary shares authorised to be purchased shall be 1,542,128;

   (b) the minimum price which may be paid for an ordinary share is 10 pence;

   (c) 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 London Stock Exchange) for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased;

   (d) the minimum and maximum prices per ordinary share referred to in sub-paragraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company;

   (e) the authority conferred by this resolution shall expire at the conclusion of the AGM of the Company in 2026 or 15 months from the passing of this resolution, whichever is earlier, unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; and

   (f) 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.

By order of the board

Arch Law Limited
Secretary

Registered Office:
The Old Church
31 Rochester Road
Aylesford
Kent ME20 7PR

21 August 2025

Notice of Annual General Meeting (continued)

Notes

1. Right to attend, speak and vote

If you wish to attend, speak and vote at the AGM you must be on the Company's register of members at 10.00 am on 23 September 2025. This will enable us to confirm how many votes you have on a poll. Changes to the entries in the register of members after that time, or, if the AGM is adjourned, 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the AGM.

2. Appointment of proxies

If you are a member of the Company you may appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. You may only appoint a proxy using the procedures set out in these notes and in the notes on the proxy form, which you should have received with this notice of meeting.

A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chair of the meeting or another person as your proxy using the proxy form are set out in the notes on the form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chair) and give your instructions directly to them. You may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares which you hold. If you wish to appoint more than one proxy you may photocopy the proxy form or alternatively you may contact the Company Secretary.

3. Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy, how to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you do not indicate on the proxy form how your proxy should vote, they will vote or abstain from voting at their discretion. They will also vote (or abstain from voting) at they think fit in relation to any other matter which is put before the meeting.

To appoint a proxy using the proxy form, the form must be completed, signed and received by the Company Secretary at Arch Law Limited, Floor 2, Huckletree Bishopsgate, 8 Bishopsgate, London, EC2N 4BQ no later than 48 hours (excluding non-working days) before the meeting. Any proxy forms (including any amended proxy appointments) received after the deadline will be disregarded.

The completed form may be returned by any of the following methods:

- Sending or delivering it to the Company Secretary, Arch Law Limited, Floor 2, Huckletree Bishopsgate, 8 Bishopsgate, London, EC2N 4BQ
- Scanning it and sending it by email to shaun.zulafqar@arch.law

If the shareholder is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer or attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

4. Appointment of proxy by joint members

In the case of joint holders, where more than one joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. Changing your instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. The amended instructions must be received by the Company Secretary by the same cut-off time noted above. Where you have appointed a proxy using a hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company Secretary. If you submit more than one valid proxy form, the one received last before the latest time for the receipt of proxies will take precedence.

6. Termination of proxy appointments

In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company Secretary, Arch Law Limited, Floor 2, Huckletree Bishopsgate, 8 Bishopsgate, London, EC2N 4BQ. Alternatively, you may send the notice by email to shaun.zulafqar@arch.law. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer or attorney. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, your revocation notice must be received by the Company no later than 48 hours (excluding non-working days) before the meeting. If your revocation is received after the deadline, your proxy appointment will remain valid. However, the appointment of a proxy does not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

7. Communications with the Company

Except as provided above, members who have general queries about the meeting should email the Company Secretary on 03332 423 976 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of annual general meeting; or any related documents, to communicate with the Company for any purposes other than those expressly stated.

8. Issued shares and total voting rights

As at 5.00 pm on the day immediately prior to the date of posting of this notice of meeting, the Company's issued share capital comprised 10,280,853 ordinary shares of 10p each (excluding treasury shares). Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company at that time was 10,280,853.

Proxy form for use by holders of ordinary shares in PHSC plc at the Annual General Meeting to be held on Thursday 25 September 2025

Please read carefully the formal notice of meeting, the accompanying notes and the explanation of the business to be transacted at the AGM (contained in the directors' report) before completing this form.

As a member of PHSC plc you have the right to attend, speak at and vote at the AGM. If you cannot or do not wish to attend the AGM but still want to vote you can appoint someone to attend the AGM and vote on your behalf. That person is known as a "proxy". You can use the proxy form to appoint the chair of the meeting or someone else, as your proxy. Your proxy does not have to be a member of the Company.

I/We .... (FULL NAME IN BLOCK CAPITALS)

being a member(s) of PHSC plc, appoint the chair of the meeting or .... (see note 1) as my/our proxy to attend and, on a poll, to vote for me/us and on my/our behalf as indicated below at the AGM and at any adjournment (see notes 2, 3 and 4).

Please clearly mark the boxes below to instruct your proxy how to vote on each resolution.

RESOLUTIONS		For	Against	Vote withheld	At discretion
1.	To receive the report and accounts				
2.	To elect Frank Moxon as a director				
3.	To re-elect Nicola Coote as a director				
4.	To re-elect Lorraine Young as a director				
5.	To reappoint the auditors and authorise the directors to set their fees				
6.	To authorise the directors to allot shares				
7.	To disapply pre-emption rights				
8.	To authorise share buybacks				

Signature(s) .... (see note 5) Date 2025

Notes:

1. If you wish to appoint as a proxy someone other than the chair of the meeting, please delete the words "the chair of the meeting or" and insert the name of the other person (who need not be a member of the Company). All alterations made to the proxy form must be initialled by the signatory.
2. The completion and return of the proxy form will not prevent you from attending the AGM and voting in person should you subsequently decide to do so.
3. If you wish your proxy to cast all of your votes for or against a resolution you should insert an "X" in the appropriate box. If you wish your proxy to cast only some votes for and some against insert the relevant number of shares in the appropriate box. In the absence of instructions your proxy may vote or abstain from voting as they think fit on the specified resolutions, and, unless instructed otherwise, may also vote or abstain from voting as they think fit on any other business (including on a resolution to amend a resolution, to propose a new resolution or to adjourn the meeting) which may properly come before the meeting.
4. The "Vote Withheld" option is provided so that you can instruct your proxy to abstain from voting on a particular resolution. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "for" or "against" a resolution. The "At discretion" option is provided so that you can give discretion to your proxy to vote or abstain from voting on a particular resolution as they think fit.
5. The proxy form must be signed by the shareholder or their attorney. Where the shareholder is a corporation, the signature must be under seal or that of a duly authorised representative. In the case of joint holders, any one may sign the form. The vote of the senior joint holder (whether in person or by proxy) will be taken to the exclusion of all others, seniority being determined by the order in which the names appear in the register of members for the joint shareholding.
6. To be valid, this proxy form and any power of attorney or other authority under which it is signed or a certified copy of such authority, must be deposited with the Company Secretary, Arch Law Limited, Floor 2, Huckletree Bishopsgate, 8 Bishopsgate, London, EC2N 4BQ no later than 48 hours (excluding non-working days) before the time of the AGM or any adjournment thereof.

Company Information

Directors	Lorraine E Young (Non-Executive Chair) Nicola C Coote (Acting Chief Executive Officer) Frank H Moxon (Non-Executive Director)
Secretary	Arch Law Limited
Registered Office & Business Address	The Old Church 31 Rochester Road Aylesford Kent ME20 7PR
Registered Number	4121793 (England and Wales)
Auditor	Crowe U.K. LLP Chartered Accountants & Registered Auditor Medway Bridge House 1-8 Fairmeadow Maidstone Kent ME14 1JP
Solicitors	Gullands 16 Mill Street Maidstone Kent ME15 6XT
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD
Nominated Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Broker	Novum Securities Limited 7-10 Chandos Street London W1G 9DQ

PHSC plc